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**Building a Better Oregon: Geographic Information and the Production  
of Space, 1846-1906**

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**Building a Better Oregon: Geographic Information and the Production  
of Space, 1846–1906**

by

**Ryan Joseph Carey, A.B., M.A.**

**Dissertation**

Presented to the Faculty of the Graduate School of  
the University of Texas at Austin  
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**Doctor of Philosophy**

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***To Mary, Jack, Cecie, Kenny, Kristen, and Amy who have paid for this work with love,  
compassion, and wisdom.***

*I believe that there is something enchanting in the name of Oregon.*

– Henry Villard, Oregon Railway & Navigation  
President



## **Acknowledgements**

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Seven years is a long time to wrack up intellectual debts, a situation compounded by the incredible generosity of literally scores of scholars, friends, and family members who have helped me since I entered graduate school. While this dissertation is as much the product of their efforts as my own, I take full responsibility for all of its shortcomings.

In 1996 I came to Austin, Texas to work with Dr. William H. Goetzmann. His scholarship on the imagined West opened my eyes to a historical vocabulary of which I was utterly ignorant during my undergraduate years. From what was literally my first graduate seminar, “Imagine the West!”, to my dissertation defense, Dr. Goetzmann has been integral to my successful completion. His ability to pump me up when I needed it, and push me to finish when I deserved it, sets him apart from other scholars. And what is literally an entire wall of dissertations from former students is enough testimony to his abilities as a mentor and is little bolstered by this contribution.

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A special thanks goes to History Department and the College of Liberal Arts at the University of Texas for their generous financial support throughout my graduate career. In addition this dissertation would not have been possible without funding from the Mellon Humanities Seminar at the Huntington Library, a Keck Fellowship from the Huntington Library, the Alfred Chandler Fellowship in Business History from the Harvard Business School, as well as funding from Wyoming Humanities Council and the Buffalo Bill Historical Center.

I have a host of scholars to thank who have helped me during my tenure at the University of Texas. Neil Kamil helped me to see history as a dialogue, and opened my eyes to the life of forms. Steve Hoelscher's keen insights and understanding of my topic has helped me to refine some of the more obtuse notions of place and space. Howard Miller, Michael Stoff, and Bruce Hunt, as graduate advisors, helped us navigate the treacherous shoals of our graduate existence. In addition, for those of us who were wise enough to take advantage of him, Dr. Stoff acted as a second mentor when called upon, and was always willing to read fellowship applications, conference abstracts, job letters, and the like. George Forgie, with whom I had my first experience as a teaching assistant has been a constant supporter friend. Carolyn Eastman, Judy Coffin, Cynthia Talbot, Alison Frazier, Bob Olwell, Mark Lawrence, Megan Seaholm, Myron Gutmann, and Alan Tully, of the history department have generously given me their insight and support.

Outside of the University of Texas, I was lucky enough to be involved in two extraordinary seminars that proved crucial in my intellectual development. The Huntington Library's Mellon Seminar in the Humanities, was a singular moment in my graduate career. Bill Deverell and Amy Meyers provided an ideal environment for eight eager graduate students. Bill's constant support and guidance continues to be invaluable. Special thanks also go to Marni Sandweiss and George Moses for their work at the Buffalo Bill Center's annual summer institute which I attended in 1998.

Beyond the borders of departments and seminars, I have been fortunate enough to count myself a member of the most stimulating and encouraging intellectual communities that anyone could possibly imagine. Steve Galpern and I have fought the same battles

(and demons) that many graduate students encounter, however, his friendship, his loyalty, and his support has made it easy to conquer those many obstacles. Our daily conversations while we were each writing our dissertations taught me nearly as much as any seminar, while his willingness to listen to rant endlessly saved me countless missteps while I was writing. Marco Morrone, in addition to serving in the thankless position as (unpaid!) proofreader, has been a drill sergeant, den mother, and general guru for the whole Austin crowd. Finally, Mike Casey and Ethan Blue have been sounding boards and drinking buddies and have opened my eyes to an activist life.

Neither my dissertation nor my life would be as rich without the friends I made at the Huntington Library. Flannery Burke asks the most poignant and scary questions at conferences of anyone I know, and has provided me with an ideal model for the life of an academic. Jen Seltz, whose facility with both environmental and western history, has challenged me and encouraged me, and at times indulged me in my excess. To Andrew Needham and Pat Burke go my sincere thanks for providing both levity, wit, and a reason to have another gin and tonic at the poolside. My second trip to the Huntington was no less important to me. Rachel St. John was always willing to talk about the importance of place; Morna O'Neill taught me what art history was; Katie Little was always willing to let me rant about maps; and Robert Hamm and I made the most out of the 10:30 coffee break at the cart.

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something akin to Congressional recognition for the hundreds of interlibrary loan requests they cheerfully processed for me. Peter Blodgett at the Huntington Library and Romaine Ahlstrom, Susi Krasnoo, Ann Mar, and Mona Noureldin in reader services introduced me to research away from home, and then again provided me with a second home while I was writing. Marilyn Kierstead at the Reed College Special Collections gave me all but free reign in the papers of Simeon G. Reed, as well as my own office in the archives itself. A special thanks go to Laura Linard and her staff at the Harvard Business School's Baker Library. They provided generous support (not to mention air conditioning) to both me and Amy while we spent a terribly hot but incredibly rewarding summer in Cambridge, Mass. Thanks also go to the librarians and staff at the Oregon Historical Society, the Archives of the Army Corps of Engineers Portland Division, the John Wilson Room at the Multnomah County Library, the Multnomah County Courthouse Records Room, the Lewis and Clark College Library, the Special Collections Library at the University of Oregon, the Hood River County Courthouse, the Wasco County Courthouse, the Oregon State Archives, the University of Washington Special Collections Library, the National Archives Regional Branch at Sand Point, Washington, the Washington State Historical Society, the Buffalo Bill Historical Center, the Bancroft Library, the University of Texas Center for American History, the Harry Ransom Humanities Research Center, Widener Library at Harvard University, the rare book and manuscripts librarians at Houghton Library, the Geography and Maps division of the Library of Congress, and the National Archives.

No graduate student can adequately thank his or her family at the end of such a journey. Those who care for me have never, during this entire process, questioned my choice to enter into history graduate school. Their emotional support, wisdom, wit, and loving generosity has sustained me throughout bad times and good. They have housed me during research trips, given me haven during crisis, and even put up with my endless rants, historical and hysterical. To my parents, Ken and Mary Triplett and Jack and Cecie Carey, thank you for your constant love and support. I owe you this dissertation. To my grandparents, Lem and Celeste Triplett, thank you for the wonderful meals in Eugene and

the Scout (it's still running). My sister Kristen has been a guide and a role model for me for longer than I can say. I've been following in her footsteps since Beaverton High School, and the trail she has blazed has been magnificent. Thanks also go to Fred and Jeanie Staehr, who may not be my family but who have always treated me as such.

Finally, I need to demonstrate to Amy Staehr the overwhelming debt I owe to her. Since we left Dartmouth College she has been my inspiration. She has seen me through fellowship applications, job letters, conference papers, and countless dissertation chapter meltdowns. And she has attended more historical conferences than anyone inside or outside of academia should ever have to. She has very simply done more work on this project than anyone else. More importantly, her careful, thoughtful, and wonderful insights about dwelling and place are on literally every page of this dissertation. Amy's writings have provided me a with joyful escape from the rainy, muddy hills of the Cascades. They have brought me to the sweat-soaked rice fields of West Africa when I could not go there myself and now the sun-baked plains of East Africa. To aspire to write as she does would be folly. All I can hope is that some of it has reached these pages. Thank you Amy.

Ryan J. Carey  
Austin, Texas

# **Building a Better Oregon: Geographic Information and the Production of Space, 1846–1906**

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Ryan Joseph Carey, Ph.D.  
The University of Texas at Austin, 2003

Supervisor: William H. Goetzmann

My dissertation is about trails: where they began and where they ended, what traveled over them and why, who built them and who paid for them. Trails and trading routes knit together the economy in nineteenth-century America, but the nation's social and cultural tapestry often split along these trail-seams. "Building a Better Oregon" explores the intersection of nature and culture by examining the growth and local criticism of transportation monopolies along the Columbia River. I investigate how competing social groups—government officials, corporate managers, laborers, farmers, and Indians—imagined the landscape and their relation to it, to demonstrate how the politics of landscape imagery influenced battles over western expansion and the growth of corporate capitalism. I build on the work of cultural historians who examine the historical contexts of what historian William Goetzmann calls the "West of the imagination." Using the work of theorist Henri Lefebvre, who contends that physical space is both socially constructed as well as an active force in social relations, I move beyond contextual questions to link ideas about a place to the physical creation of that space.

I combine the politics of landscape perception with issues of ethnic, gender, and class identity to investigate the role that perceptions of the Columbia River played in the social, cultural, and environmental history of the river and the region. I begin by examining the “paper landscapes”—maps, surveys, and property deeds—created by corporations. The images contained in these documents became a common vocabulary in a “cooperative imperialism,” the combined effort of corporations and the federal government to lay claim to nineteenth-century America’s ever-expanding empire. The common ground between the state and capital of this imagined West became contested ground when viewed from the perspective of local residents. In the second half, I show how Northwesterners created their own image of the region to criticize industrialization. Farmers and laborers refashioned the idea of masculine independence, while Indians cultivated a unique communal sense of their place in the landscape. Examining the “myth of West” from the West itself helps give westerners a voice in the creation of their own image.

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## **List of Abbreviations**

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C&PSRR	Columbia & Puget Sound Railroad
CPRR	Central Pacific Railroad
CRR	Cascade Railroad Company
CTC	Columbia Transportation Company
MCPC	Middle Cascades Portage Company
NPRR	Northern Pacific Railroad
O&CRR	Oregon & California Railroad
O&T	Oregon & Transcontinental Company
OCRR	Oregon Central Railroad
OIC	Oregon Improvement Company
OR&N	Oregon Railway & Navigation Company
OSN	Oregon Steam Navigation Company
OSS	Oregon Steamship Company
PCSC	Pacific Coast Steamship Company
PD&SLRR	Portland, Dalles & Salt Lake Railroad
PRC	Portage Railway Company
S&WWRR	Seattle & Walla Walla Railroad
UPRR	Union Pacific Railroad
UTL	Union Transportation Line
WW&CRRR	Walla Walla & Columbia River Railroad

## Maps and Figures

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### Maps

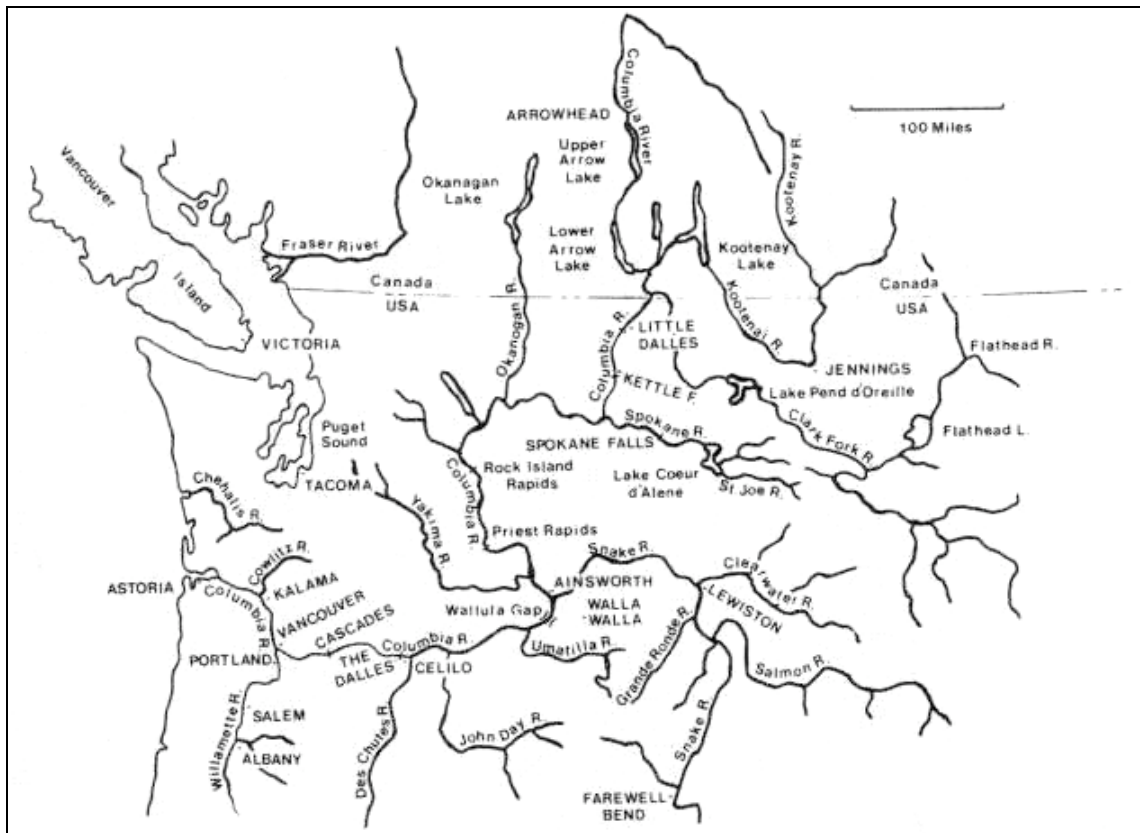
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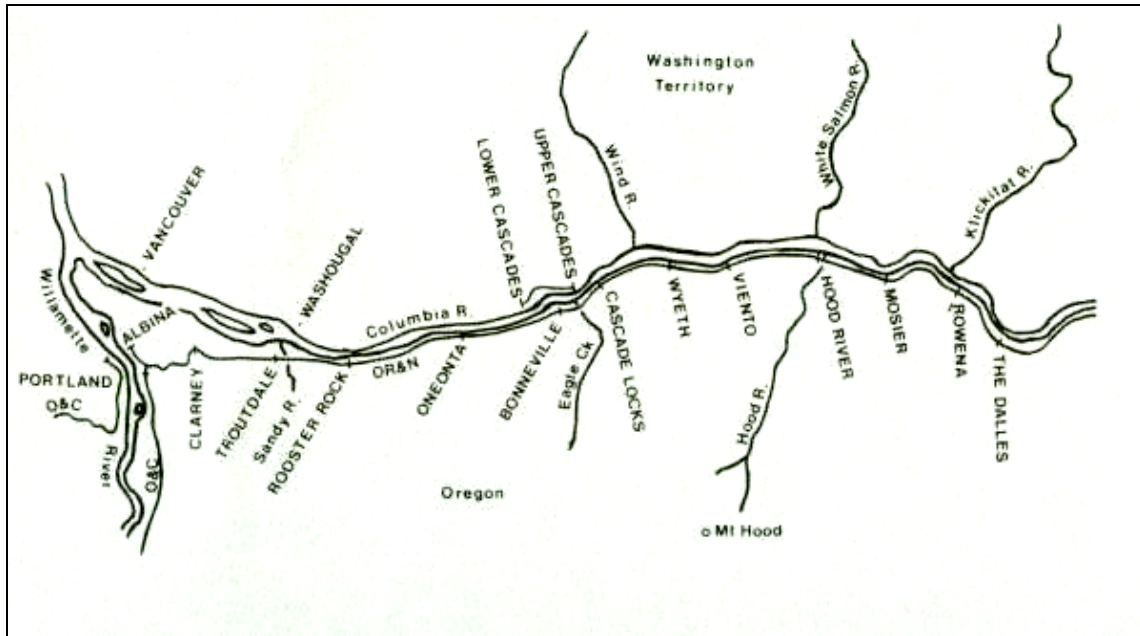
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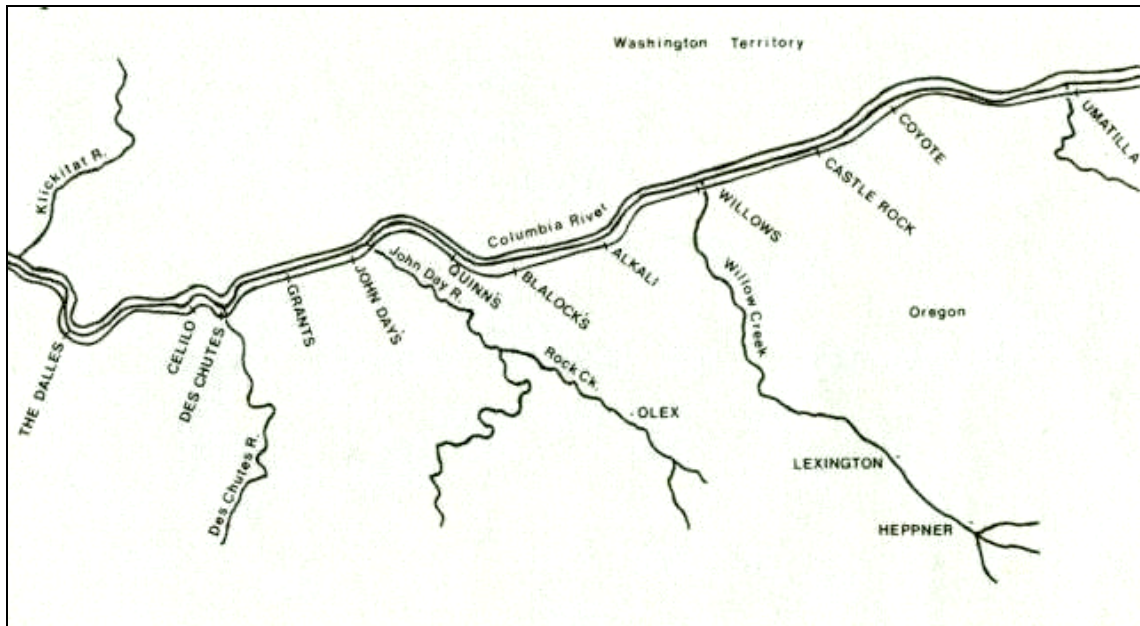
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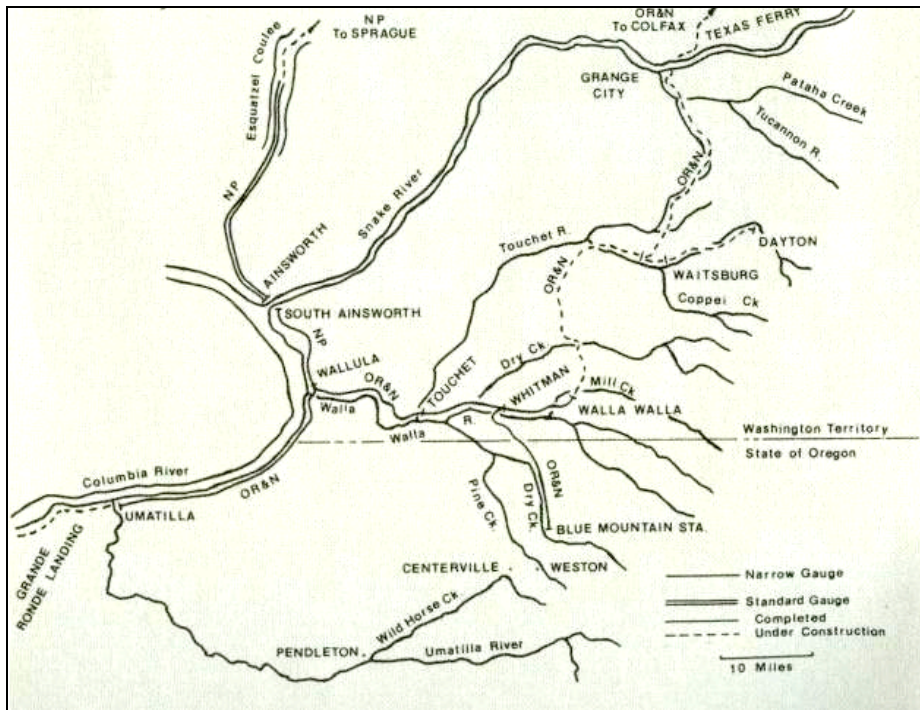
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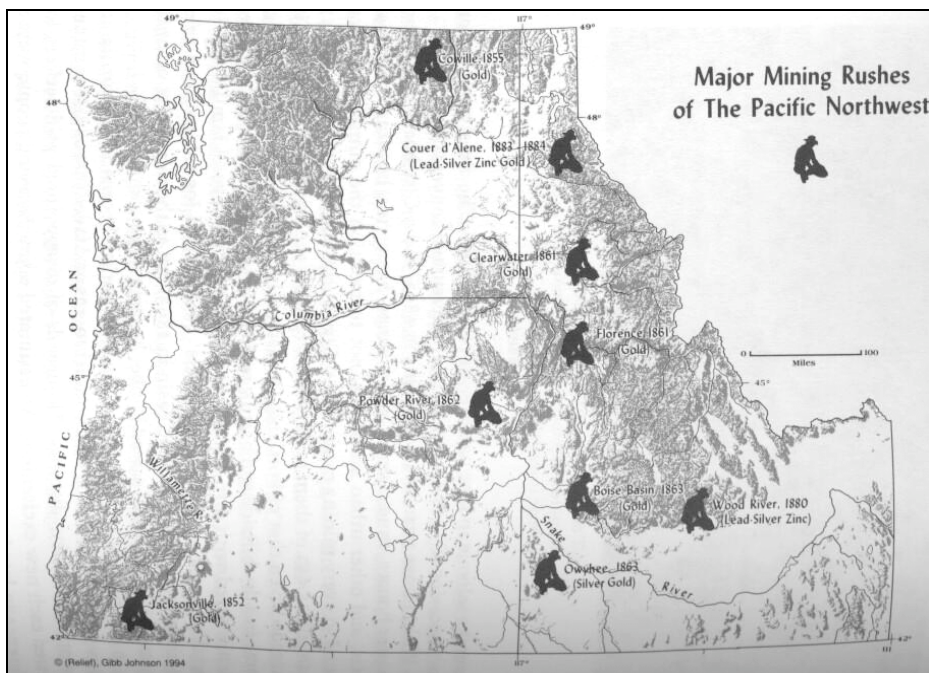
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map 4. Railroads in eastern Oregon and Washington, *December 31, 1880, from Peter Lewty, To the Columbia Gateway: The Oregon Railway and the Northern Pacific, 1879-1884 (Pullman: Washington State University Press, 1987).*



map 5. Major Mining Rushes of the Pacific Northwest, *from Carlos Schwantes, The Pacific Northwest: An Interpretive History, (Lincoln: University of Nebraska Press, 1996).*









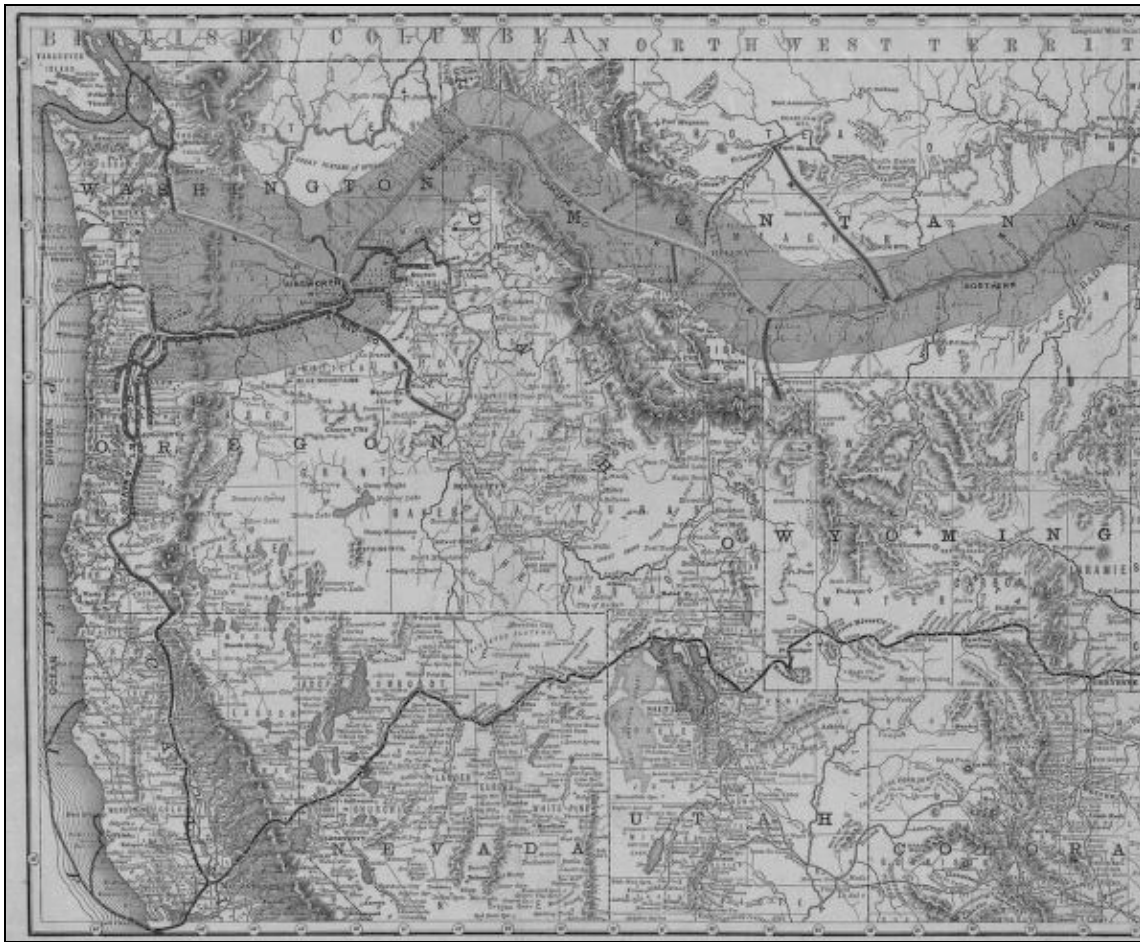


map 8. Oregon & Washington Territory, issued by the Oregon Railway and Navigation Company, *Library of Congress Geography and Map Division Washington, D.C.* This map, a promotional tool of the OR&N, shows the routes as proposed by the road in 1880 and the various connecting lines the company hoped to pool with.



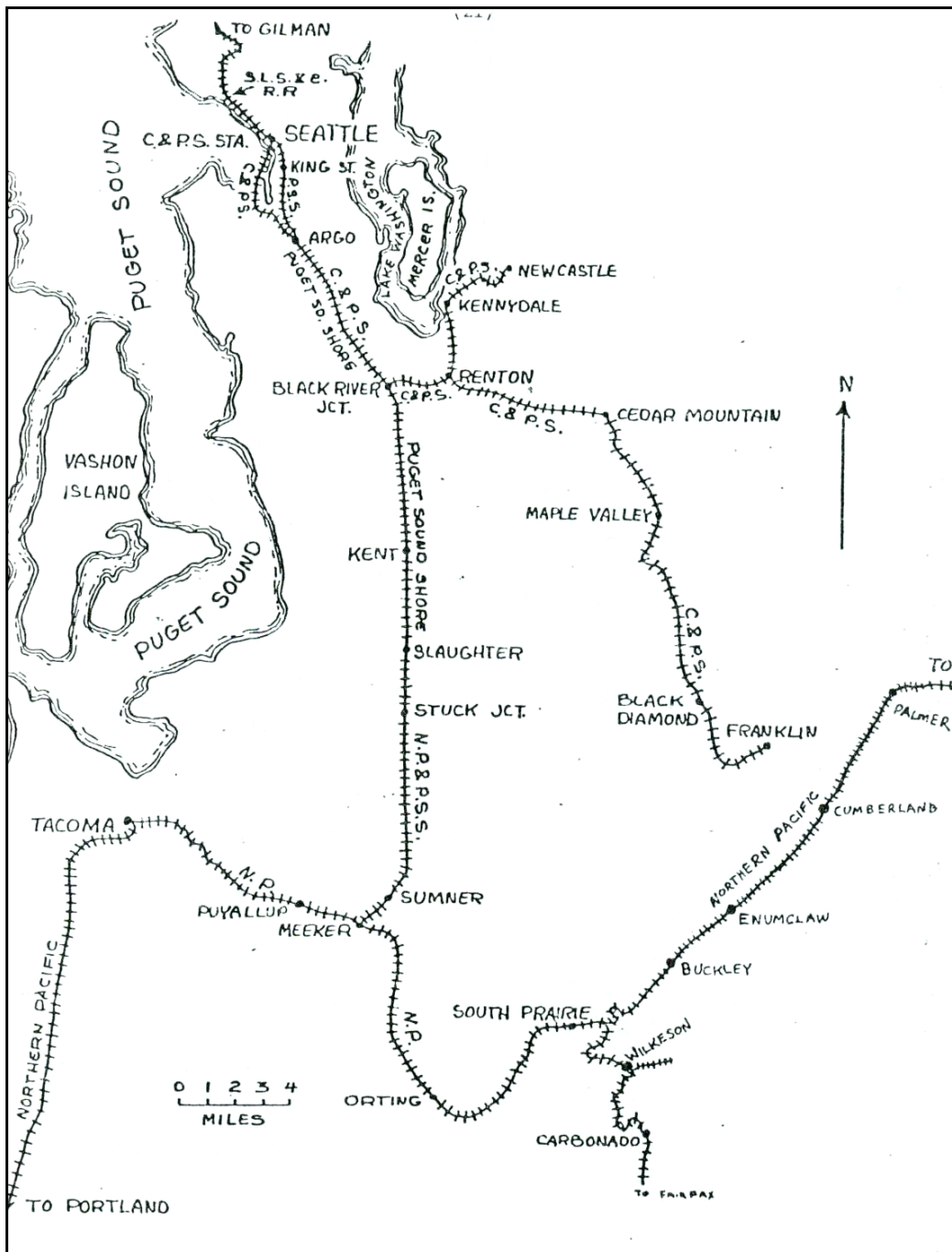


map 9. Detail of Oregon & Washington Territory, issued by the Oregon Railway and Navigation Company, Library of Congress Geography and Map Division Washington, D.C. This portion of the map illustrates the various lines the OR&N hoped to build in eastern Oregon and Washington Territory, including the Baker City line in Eastern Oregon; the Walla Walla lines south of the Snake River, and the Palouse lines to the North of the Snake River. The line furthest to the north is the NPRR's proposed Pend Oreille route.

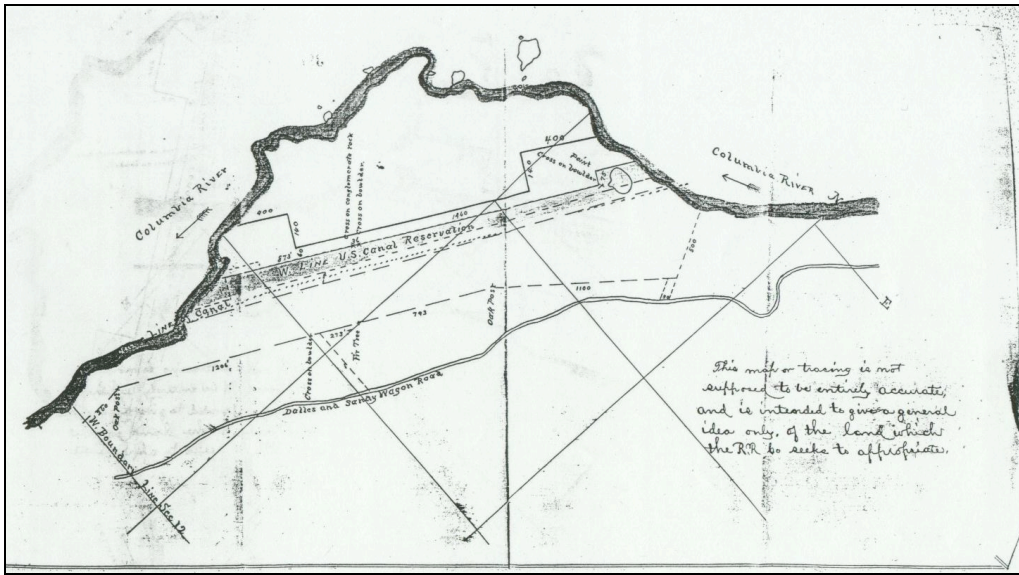


map 10. Detail from Northern Pacific Railroad Co. Rand McNally and Company, 1882. Library of Congress Geography and Map Division Washington, D.C. This map shows both the NPRR branch over the Cascade mountains and the Columbia Valley branch. The shaded area around the line denotes the area of the Northern Pacific's land grant. Note the joint line of the Central Pacific Railroad and the Union Pacific Railroad south of the NPRR.

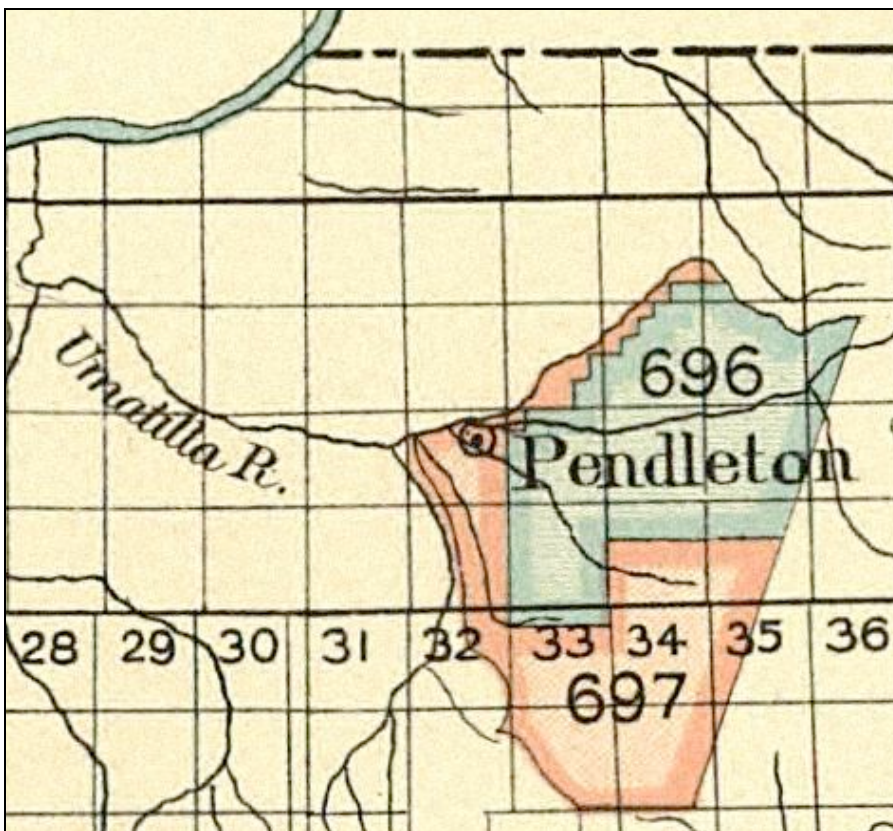




map 11. Railroads in the Seattle Area, 1883, from Gerald Best, *Ships and Narrow Gauge Rails: The Story of the Pacific Coast Company* (San Diego, Calif.; Howell, North, 1981). The C&PS line from Seattle to Franklin originated as the Seattle Coal and Transportation Company.



map 12. Map of PRC Challenge, Henry Villard Business Papers. Baker Library, Graduate School of Business Administration, Harvard University.



map 13. Detail of Indian Reservations, State of Oregon, Bureau of American Ethnology, Eighteenth Annual Report.

## **Introduction: Riverview**

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*This is the head of ship navigation, where the river takes a turn northward, and for upwards of two miles is comparatively narrow—four hundred and fifty yards wide. It falls in this distance about forty feet, and the whole body of water drives through this narrow channel with great impetuosity, forming high waves and fearful whirlpools, too dangerous to be encountered by any boat. When the river is low, these rapids are sometimes passed by skillful boatmen, but there have been many lives lost in the attempt.*

– Lt. Charles Wilkes, USN, 1845<sup>1</sup>

*We were now approaching on of the marked features of the lower Columbia, where the river forms a great cascade ... in breaking through the range of mountains to which the lofty peaks of Mount hood and St. Helens belong.... It was customary to hire Indians to assist in making the portage.... At length, when they had first received the price of their assistance in goods, they went vigorously to work; and, in a shorter time than had been occupied in making our arrangements, the canoe, instruments, and baggage, were carried through.... On a low broad point on the right bank of the river, at the lower end of these rapids, were pitched many tents of the emigrants, who were waiting here for their friends from above, or for boats and provisions which were expected from Vancouver.*

– Lt. John C. Frémont, USA, 1845<sup>2</sup>

*For Four miles and a half the river rushes through a gorge, bordered by high and very precipitous ridges, and only about nine hundred feet wide in the narrowest part.... The wild grandeur of this place, for which Rapids would be a more appropriate name than Cascades, surpasses description. The river rushes furiously over a narrow bed filled with boulders and bordered by mountains, which echo back the roar of the waters.*

– Lt. Henry Abbot, USA, 1857<sup>3</sup>

Traveling east on I-80 about 30 minutes from Portland, Oregon, drivers encounter a freeway exit for a scenic landmark that is unique among natural sites. What is interesting about the Multnomah Falls exit is not the falls as much as the exit itself and the parking lot to which it leads. Visitors exit to the center of the freeway and wedged between the two oncoming lanes of traffic lies the parking lot. Beyond the west-bound lanes of the interstate lies the Columbia River; a pedestrian walkway leads visitors under

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<sup>1</sup> Charles Wilkes, *Narrative of the United States Exploring Expedition During the Years 1838, 1839, 1840, 1841, 1842*, 5 vols. (Philadelphia: Lea and Blanchard, 1845), vol. 4., p. 379.

<sup>2</sup> Donald Jackson and Mary Lee Spence, eds., *The Expeditions of John Charles Frémont: Volume 1 Travels from 1838 to 1844* (Urbana: University of Illinois Press, 1970), pp. 563–64.

<sup>3</sup> Henry L. Abbot, “Report of Lieut. Henry L. Abbot, Corps of Topographical Engineers, upon explorations for a railroad route from the Sacramento Valley to the Columbia River, made by Lieut. R.S. Williamson, Corps of Topographical Engineers, Assisted by Lieut. Henry L. Abbot, Corps of Topographical Engineers. 1855,” in *Reports of Explorations and Surveys to ascertain the most practicable and economical route for a railroad from the Mississippi River to the Pacific Ocean. Made under the direction of the Secretary of War, in 1854–1855*, vol. 6 (Washington, D.C.: A.O.P. Nicholson, Printer, 1857), p. 89.

east-bound traffic to a historic hotel, now the visitors' center for the Falls. There isn't enough riverbank to place an exit and parking lot at the visitors' center, so park planners decided to carve out an island for parking in between the east and west-bound flow of interstate traffic. Just as the parking lot is carved out from the interstate, the interstate itself is carved into the rocky ledge that confines the Columbia River.

This exit, number 31, effectively marks the western end of the Columbia gorge, the geographic formation responsible for the uniqueness of the falls off-ramp. West of the falls, the river banks open up into a wide level plain of fertile soil, home to some of the best undiscovered wineries on the Pacific slope. But to the east, the sides of the Gorge erupt almost directly from the river's edge with little or no space for railroads and highways, let alone farms, vineyards, or scenic parking lots. Thus, standing in the parking lot for Multnomah Falls, rain soaking through jackets and shoes, visitors stand on a makeshift landscape, equidistant from the rivers' new edge and the trail-head leading up to the falls. With little space between the rushing waters of the river and the steep sides of the Columbia Gorge, it is no surprise that architects and road crews created this in-between parking lot, an innovative solution to the problem of limited real estate. Northwesterners have been creatively dealing with the river ever since they set foot in the region.

Geologic forces in Oregon favored threes. West of the Coast range, the land levels out and provides Oregon tourists with sandy beaches, punctuated by high cliffs. Between the Coast range and the Cascade Mountains lies the rich and fertile Willamette Valley. Beyond the Cascades a gently rising plateau extends eastward, home to the Blue, Wallowa, and Steens Mountains. Similarly, the Columbia River in the state historically had three navigable sections, uninterrupted by rapids and portages. From the sea to the Cascades of the Columbia, now the site of Bonneville dam, was a 160 mile stretch of river known as the lower river. Between the Cascades and The Dalles, less than 80 miles, was called the middle river. Obstructions to navigation ran from The Dalles east to Celilo falls, roughly 14 miles, and above Celilo, was the upper river. Travelers and river

boatmen divided the Cascade themselves into a lower, middle, and upper landing (see map 1).<sup>4</sup>

Historians like to point to these geographic features to explain the historic development of industrial transportation in the Pacific Northwest.<sup>5</sup> Obstructions in the Columbia River, they tell us, provided entrepreneurs and later corporations with a ready-made system of toll-stops. Control of the portages meant control of the river. It is certainly true that the property ownership of the river portages along the Columbia River in Oregon afforded both local and non-local capitalists the means to eliminate competition along the trading-trail known as the Columbia highway. But this fact, so essential to historical explanations of the mid to late nineteenth-century, was not lost on the very subjects of these histories. The corporations themselves fought long and hard, often with each other, often with local residents, to gain and keep control of the portages. Farmers east of the Cascades criticized transportation monopolists for unfairly dominating Pacific Northwestern trade and elected Oregon legislators who passed laws limiting property rights at strategic points along the river. The river portages became the sites of Indian uprisings and labor struggles.<sup>6</sup> Although the geography of the Columbia

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<sup>4</sup> Irene Lincoln Poppleton, "Oregon's First Monopoly—The O.S.N.Co.," *The Quarterly of the Oregon Historical Society* 9, no. 3 (1908): 275.

<sup>5</sup> The history of transportation often treats geography in a positivist sense: the relationship between geography and geographic perception is one-to-one. Geography is something to be overcome, taken, or lost. Irene Lincoln Poppleton, "Oregon's First Monopoly—The O.S.N.Co.," *The Quarterly of the Oregon Historical Society* 9, no. 3 (1908): 275; Dorothy O. Johansen, "Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company" (Ph.D. Thesis, University of Washington, 1941); Stephen Dow Beckham, "This Place is Romantic and Wild:" An Historical Overview of the Cascade Area, Fort Cascades, and the Cascade Townsite, Washington Territory (Eugene, Ore.: Heritage Research Associates, 1984); Carlos Schwantes, *Railroad Signatures Across the Pacific Northwest* (Seattle, Wash.: University of Washington Press, 1993); and Carlos Schwantes, *Long Day's Journey: The Steamboat and Stagecoach Era in the Northern West* (Seattle, Wash.: University of Washington Press, 1999).

<sup>6</sup> Transportation to and in Oregon is at the heart of the state's history, and has always been a contentious issue. Overland emigrants fought bitterly over the best routes along the Oregon Trail and between Oregon and California, savaging each other in the local press upon their arrival to the Oregon Territory. See John D. Unruh, *The Plains Across: The Overland Emigrants and the Trans-Mississippi West, 1840–60* (Urbana, Illinois: University of Illinois Press, 1979); and John Mack Faragher, *Women and Men on the Overland Trail* (New Haven: Yale University Press, 1979). Not long after, transportation issues became one of the first struggles in the ongoing local versus federal debates in the American West. Topographical Engineers and regular Army officers surveying wagon roads in Oregon and Washington Territory were constantly pressured by local citizens who wanted the wagon roads to connect their settlements with the primary ports and main highways of the region. Using their local knowledge of the



River was pre-dated human settlement, the ideologies and actions that surrounded the portages were of historical making.

Somewhere between the physical landscape of the river and property rights along the portages lies the key to understanding how the Columbia River came to be owned by a single corporate entity. Binding landscape and property together is geographic information, or more abstractly, perceptions of the land. Those best able to define the land were those who ultimately owned it. In the mid nineteenth-century a group of steamboat captains and Portland merchants formed the Oregon Steam Navigation Company (OSN), a corporation that eventually obtained legal title to the riverfront property along the Columbia portages. The owners of the OSN, and its corporate successor, the Oregon Railway & Navigation Company (OR&N), used the power of the state to transform abstract geographic information—latitude and longitude, metes and bounds—into firm rights of ownership—what I call paper landscapes. The paper landscapes created by the OSN were legal documents imbued with state power. They could eliminate corporate competitors, silence the criticisms of residents, and even overrule state governments. But simple title to a piece of land, or property rights to the Columbia River portages did not provide the OSN or its successors with all they needed for a transportation empire. Corporate owners of the portage lands struggled to maintain their control of the all important portages against a barrage of criticism, a host of competitors, and a legal apparatus bent on introducing competition along the river. This is the story of those struggles.

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This dissertation is about trails: where they began and where they ended; what traveled over them and why; who built them and who paid for them. It didn't start out this way. What began as an inquiry into nineteenth-century images of Oregon evolved into a

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region as ammunition, residents of the Pacific Northwest savagely criticized the Army's location of various wagon roads and demanded that the government wagon road appropriations be handed over to locals who clearly knew best. See William H. Goetzmann, *Army Exploration in the American West, 1803–1863* (New Haven: Yale University Press, 1959), pp. 353–360; and W. Turrentine Jackson, *Wagon Roads West: A Study of Federal Road Surveys and Construction in the Trans-Mississippi West* (Berkeley and Los Angeles: University of California Press, 1952), pp. 71–107.

meditation on the role that landscape perceptions—visual and textual images of a place—played in the historical development of the Pacific Northwest and the creation of the region’s landscapes. I began this study with the assumption that the way we understand a landscape determines what we do in and to that geographic space. Landscape perception is a historical force, and to understand it, we need to understand the relationship between geography—geographical perception and geographical reality—and society. We need to look at the way society has interpreted, manipulated, monopolized, and depended on geography. In short, we must understand the process of transforming space into place, how and why people have produced unique places. Roads and trails flow from this process: they are both geographical facts as well as human interpretations of a landscape.

The Northwest in the nineteenth-century was a land of roads and routes. Trails and trading routes knit together the economy and society in the Pacific Northwest, but the region’s social and cultural tapestry often split along these trail-seams. The region’s residents, be they railroad managers, government officials, farmers and ranchers, laborers, or the region’s native American inhabitants, all depended on the trading-trails of the Pacific Northwest for different things. As a result, they understood them differently. In many ways, this dissertation is an attempt to understand the cultural and social battles that erupted over the meaning, nature, and role of trails in the nineteenth-century Pacific Northwest. But the road building that occurred in the region in the second half of the nineteenth-century was of a different order than that which had come before it. The creation of regional trading routes coincided with the process of industrialization in America, and the landscapes that this process produced both represented and created the social stratification that accompanied industrialization.<sup>7</sup> We can read power in the landscapes that society produces: the placement of Indians on marginal agricultural land

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<sup>7</sup> On Industrialization in the Pacific Northwest, see Carlos Schwantes, *The Pacific Northwest: An Interpretive History, Revised and Enlarged Edition* (Lincoln, Nebraska: University of Nebraska Press, 1996), especially “Part III: From Frontier to Urban-Industrial Society,” pp. 169–251; *ibid.*, *Radical Heritage: Labor, Socialism, and Reform in British Columbia and Washington, 1885–1917* (Seattle: University of Washington Press, 1979).; Alexander Norbert MacDonald, “Seattle’s Economic Development, 1880–1910” (Ph.D., University of Washington, 1959); and *ibid.*, *Distant Neighbors: A Comparative History of Seattle and Vancouver* (Lincoln: University of Nebraska Press, 1987).

or the alienation of private property by corporations. Those processes are both the result and evidence of power relations. But landscapes are more than just representative of pre-existing social constructs, they help to shape society and social relations as well. This study examines those processes.

I have tried to integrate a complex set of historiographies by investigating three distinct sets of questions. What role did the West play in the larger story of the growth of American capitalism during late-nineteenth-century industrialization? What role did American perceptions of the West, by both easterners and westerners, elites and working class, play in that history? Bringing these two stories together is a larger more abstract question. How did the trans-Mississippi American West go from being a blank spot on the map in the mid-nineteenth century to an landscape fully integrated into the American political and economic body.

### **The West as Capitalist Space**

Some historians have seen capitalist development in the West, or the periphery, as a product of events and circumstances in eastern centers of finance and political power. Building on world-systems theory, they argue that the financial and political demands of the metropolis shaped the scale and scope of capitalist development in the American West.<sup>8</sup> In their narratives, capitalism alters the West, but events within the West do little to affect global capitalism except to provide the system with a wealth of natural resources.<sup>9</sup> This understanding of capitalism-as-colonialism has tended to focus historians' attention on the center and to argue that the American West, as a periphery, was at the mercy of eastern and foreign capital.

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<sup>8</sup> See William G. Robbins, *Colony and Empire: The Capitalist Transformation of the American West* (Lawrence: University Press of Kansas, 1994).

<sup>9</sup> On world-system theory, see Terence K. Hopkins, Immanuel Wallerstein and Robert L. Bach, *World-Systems Analysis: Theory and Methodology* (Beverly Hills, Calif.: Sage Publications, 1982); see Martin J. Sklar, *The Corporate Reconstruction of American Capitalism, 1890–1916* (New York: Cambridge University Press, 1988). ON the power of the core over the periphery, see David Harvey, *The Urbanization of Capital: Studies in the History and Theory of Capitalist Urbanization* (Baltimore, Md.: Johns Hopkins University Press, 1985); and Neil Smith, *Uneven Development: Nature, Capital, and the Production of Space* (New York, Blackwell, 1984).

A similar narrative dominates business history, especially that dealing with the growth of railroads. In particular, historians who have studied western railroads place a greater importance on the roles of financiers and executives in New York and Boston, than they do on actors or events in the West.<sup>10</sup> In *The Visible Hand*, Alfred Chandler attempted to correct the overemphasis on the corporate figurehead, by demonstrating the power and influence held by corporate managers in the new corporate hierarchies created by managerial capitalism. Chandler chronicles the shift from what he calls entrepreneurial capitalism to managerial capitalism. In *The Visible Hand*, he identifies three roughly chronological periods of American capitalism. They are entrepreneurial capitalism, financial capitalism, and managerial capitalism. In the first, the owner, or entrepreneur, is responsible for the financial side of the business, the daily operation, as well as the long term strategy of the company or business. The shift to financial capitalism, brought about when technology, geography, and resources demanded a larger scale of production and more investment capital, was marked the addition of a financier into the corporate structure who was almost solely responsible for the finances of the business. It is also marked by the an increasing split between those in charge of the daily operation of a business and those responsible for the long term planning and strategy. Managerial capitalism, with a managerial hierarchy divorced from ownership, developed as a strategy to deal with the increasing complexities and size of modern American corporations. By the age of managerial capital, managers, ostensibly in charge of daily operations, had much power over the owners—stockholders and company directors—to the extent that managers increasingly came to dominate both daily operations and long term strategy.

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<sup>10</sup> See Kurt E. Armbruster, *Orphan Road: The Railroad Comes to Seattle, 1853–1911* (Pullman: Washington State University Press, 1999); Thomas Childs Cochran, *Railroad Leaders, 1845–1890: The Business Mind in Action, Studies in Entrepreneurial History* (New York,: Russell & Russell, 1965); Julius Grodinsky, *Transcontinental Railway Strategy, 1869–1893: A Study of Businessmen* (Philadelphia: University of Pennsylvania Press, 1962).; James B. Hedges, *Henry Villard and the Railways of the Northwest* (New Haven: Yale University Press, 1930); Peter J. Lewty, *To the Columbia Gateway: The Oregon Railway and the Northern Pacific, 1879–1884* (Pullman, Wash.: Washington State University Press, 1987); Carlos Schwantes, *Railroad Signatures Across the Pacific Northwest* (Seattle, Wash.: University of Washington Press, 1993); and Robin Winks, *Frederick Billings: A Life* (New Haven: Yale University Press, 1991).

Although Chandler takes great pains to de-emphasize the importance of the railroad owners, he fails to investigate how local conditions affected the growth and development of the railroad corporation.<sup>11</sup> Chandler's work, however, points us in the right direction. The alienation of corporate owners from the management of a corporation was necessarily fraught with power struggles between owners and managers, for much was at stake. For major corporations operating in the American West, managers and owners were geographically separated, with owners in New York, Boston, or sometimes even European financial centers, and managers residing in the West itself, where resources like coal, timber, or grain were being extracted, or, in this case, where the trains ran that carried those resources. As a result, the contests between managers and owners were played out in space. We need to investigate the geographic dimension of those battles, as well as the geographic nature of the management hierarchy that resulted from those struggles.

If business historians, as well as those looking at the "capitalist transformation of the American West," ask how has capitalism transformed the West? Another question emerges: how has the West transformed American capitalism? Ironically another metaphor from colonial history is useful in shifting our focus back to the West: the collaborator. Historian Ronald Robinson argues that colonialism is "set of reflex actions" between the core and the periphery. From the core "stemmed the economic drive" while the periphery provided "indigenous collaboration and resistance." Empire was created, Robinson maintains, "only when [these forces] operated at cross purposes."<sup>12</sup> If eastern financiers, directors, and shareholders held a majority of the economic power, they were still dependent upon their agents in the West to refine and implement policy. Railroads run from financial centers in New York and Boston required the cooperation of local

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<sup>11</sup> Alfred D. Chandler, Jr., *The Visible Hand: The Managerial Revolution in American Business* (Cambridge, Mass.: The Belknap Press of Harvard University Press, 1977).

<sup>12</sup> On collaborators and the importance of the periphery, see Ronald Robinson, "Non-European Foundations of European Imperialism: Sketch for a Theory of Collaboration," in *Studies in the Theory of Imperialism*, ed. Roger Owen and Bob Sutcliffe (London: Longman, 1972); Ronald Robinson, John Gallagher and Alice Denny, *Africa and the Victorians: The Official Mind of Imperialism* (New York: St. Martin's Press, 1961); and John Gallagher and Ronald Robinson, "The Imperialism of Free Trade," *Economic History Review* 6, no. 1 (1953).

elites, resident managers, and local governments, as well as the encouragement and support of the federal government and international capital. We need to investigate capitalism in the West, and its agents there, in order to fully understand how and why eastern and foreign corporations operated as they did in western locales.

### **The “Imagined” and “Real” West**

One way to investigate the capitalist development in the West is to examine how different actors in that history perceived the landscape being “developed.” At the forefront of my thinking has always been what historian William Goetzmann has called “the West of the imagination.”<sup>13</sup> Cultural and intellectual historians have told us a great deal about the popular image of the American West. Indeed, Henry Nash Smith, in his groundbreaking study, *Virgin Land: The American West as Symbol and Myth* helped define the parameters of the emerging field of American Studies. Uniting historical context with cultural form, Smith sketched out a landscape of western myth that provided the very backbone of American culture in the nineteenth-century, and, he implied, had a very real impact on the twentieth.<sup>14</sup> Not long after *Virgin Land* William Goetzmann published his first book in what would become a classic trilogy on exploration in the American West and beyond. In *Army Exploration in the American West, 1803-1863*, Goetzmann made clear the “imperial” nature of American western expansion, and in the process became interested in the cultural component of expansion.<sup>15</sup> In *Exploration and Empire*, his Pulitzer-prize winning “second effort,” Goetzmann drew a complex portrait of the interplay between culture—the image of the West, and history—western expansion, showing how the two were mutually constitutive of, and even dependent

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<sup>13</sup> William H. Goetzmann and William N. Goetzmann, *The West of the Imagination* (New York: W.W. Norton & Co., 1986).

<sup>14</sup> Henry Nash Smith, *Virgin Land: The American West as Symbol and Myth* (Cambridge, Mass.: Harvard University Press, 1950).

<sup>15</sup> William H. Goetzmann, *Army Exploration in the American West, 1803–1863* (New Haven: Yale University Press, 1959).

upon, each other.<sup>16</sup> These two authors remain the starting point for any scholar interested in the West of the imagination.

The work on western imagery that followed has made visible some features of that landscape that were hitherto unseen, but continues along a similar methodological trajectory.<sup>17</sup> Recent historians have focused on the darker side of the ideologies that influenced American understandings of the West. Deconstructing commercial and political texts such as booster literature, high art, and pop culture, these scholars have helped make more complex our understanding of the role of political economy in the creation of western images. Primarily, though, they have given us a better understanding of the metropolitan center where much was written, painted, or printed about the American West. In doing so, however, they have all but left the West behind, preferring to focus on either the intellectual currents which influenced images of the West, or the metropolitan elites most responsible for their production. There is a decided eastern or metropolitan bias in many of the narratives on western imagery. When it comes to how westerners themselves understood the landscape, the region, its history, or its myths we have much less to go on.

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<sup>16</sup> William H. Goetzmann, *Exploration and Empire: The Explorer and the Scientist in the Winning of the American West* (New York: Alfred A. Knopf, 1966). Since *Exploration and Empire*, Goetzmann has contributed a number of significant works dealing with the image of the West examining art, science, literature, and diplomacy; see *ibid.*, *When the Eagle Screamed: The Romantic Horizon in American Diplomacy, 1800–1869* (New York: Jon Wiley & Sons, Inc., 1966); *Looking at the Land of Promise: Pioneer Images of the Pacific Northwest* (Pullman, Wash.: Washington State University Press, 1988); and *The West of the Imagination* (New York: W.W. Norton & Co., 1986).

<sup>17</sup> For more recent works on images of the West, see Albert Boime, *The Magisterial Gaze: Manifest Destiny and American Landscape Painting c. 1830–1865* (Washington, D.C.: Smithsonian Institution Press, 1991); Thomas Hietala, *Manifest Design: Anxious Aggrandizement in Late Jacksonian America* (Ithaca: Cornell University Press, 1985), and *ibid.*, “‘This Splendid Juggernaut’: Westward a Nation and Its People,” in *Manifest Destiny and Empire: American Antebellum Expansion*, ed. Samuel Haynes and Christopher Morris (College Station: Texas A&M University Press, 1997); Robert Johannsen, “The Meanings of Manifest Destiny,” in *Manifest Destiny and Empire: American Antebellum Expansion*, ed. Samuel Haynes and Christopher Morris (College Station: Texas A&M University Press, 1997); Barbara Novak, *Nature and Culture: American Landscape Painting, 1825–1875* (New York: Oxford University Press, 1995); Richard Slotkin, *The Fatal Environment: The Myth of the Frontier in the Age of Industrialization, 1800–1890* (New York: Atheneum, 1985); and William Truettner, ed., *The West as America: Reinterpreting Images of the Frontier, 1820–1920* (Washington, D.C.: Smithsonian Institution Press, 1991).

This bias has less to do with geography, however, than it does with the theoretical framework governing cultural production. Implicit in these texts is the assumption that images of the American West were both influenced by historical context at the same time western images influenced that history. However, when it comes to the reception or implications of western images, in the region or otherwise, this new crop of scholars seems more speculative.<sup>18</sup> The production of images and the ideologies under which boosters, politicians, scientists, writers, or artists, created the images is more important than their reception. What we are left with is a fairly uni-directional theory of cultural production where power flows from the top down.

In her book *Mental Territories*, historian Katherine Morrissey, works against this trend by examining the cultural construction of place.<sup>19</sup> Investigating another Pacific Northwestern landscape, the Inland Empire, that are east of the Cascade Mountains and west of the Rockies, she illuminated the cultural definitions of a region and its boundaries, how individuals come to share (or contest) regional definitions, and how individuals used constructions of a place and region to shape their own identity. However, I want to build on the social construction of place, as identified by Morrissey, to investigate its implications for a region, its inhabitants and its landscape. If Morrissey has investigated how westerners themselves have imagined the landscape around them, we still do not know how these cultural contests have influenced the broader narrative of Western history, or for that matter how images of a land have influenced the land itself.

One of the most important ways humans have imagined landscapes is through maps. Yet, historians of cartography, seem to parallel the theoretical structure of historians of western imagery. Following the historical geographer J.B. Harley, and his call to “deconstruct the map” in order to uncover the ideologies and power relations

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<sup>18</sup> Two notable exceptions to this trend are Thomas Hietala, *Manifest Design: Anxious Aggrandizement in Late Jacksonian America* (Ithaca: Cornell University Press, 1985), which focuses on the currency of western imagery in Congress during the era of Manifest Destiny; and Katherine G. Morrissey, *Mental Territories: Mapping the Inland Empire* (Ithaca, N.Y.: Cornell University Press, 1997), which examines how perceptions of a region are as important to regional formation as infrastructure, economic ties, and political boundaries.

<sup>19</sup> Katherine G. Morrissey, *Mental Territories: Mapping the Inland Empire* (Ithaca, N.Y.: Cornell University Press, 1997).



inherent in that form of landscape perception we call mapping, historians of cartography have produced an impressive body of scholarship.<sup>20</sup> Investigating nineteenth-century British India Matthew Edney explains how maps eased the imperial anxieties of colonial administrators and gave them cultural control over the imperial “other.” Susan Schulten, in *The Geographical Imagination in America* demonstrates how imperial ideologies in the 1890s shaped American mapping and geography during the American imperial moment of the 1890s.

Similar to current scholars of western imagery, historians of cartography imply a reciprocal link between maps and society. Yet, few scholars have actually investigated the historical play of maps, or just how maps have indeed affected society. Schulten calls mapping a “reactionary medium,” whose form is determined by some pre-existing historical or cultural context.<sup>21</sup> In their exhaustive multi-volume *History of Cartography*, David Woodward and J.B. Harley argue that the history of cartography is the study of ideology because ideology is the ultimate determinant in the creation of maps.<sup>22</sup> We might add to this, however, that there is another side to maps and images as cultural constructions. For after a map is created, it is often put to use: maps and other sources of geographic information and perception were tools—instruments that historical actors used to shape both the landscape and the history of the regions they described.

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<sup>20</sup> Historians of cartography have heretofore focused their attention on the cultural contexts that lead to the production of maps. We know now much about the ideologies of a multitude of map producers, what made maps. Most of these scholars justify their studies with the assumption that maps exercised cultural power and had an influence on society, therefore, it is important to understand the cultural contexts surrounding their production. They fail, however, to illustrate the power they insist maps contain, or to put maps and geographic knowledge into wider cultural play.

For recent work of historians of cartography see J.B. Harley, “Deconstructing the Map,” *Cartographica* 26 (1989): 1–20; J.B. Harley and David Woodward, eds., *The History of Cartography* (Chicago: University of Chicago Press, 1992); J.B. Harley, “Maps, Knowledge, and Power,” in Paul Laxton, ed., *The New Nature of Maps: Essays in the History of Cartography* (Baltimore: The Johns Hopkins University Press, 2001). Susan Schulten, *The Geographical Imagination in America, 1880–1950* (Chicago: University of Chicago Press, 2001); Matthew H. Edney, *Mapping an Empire: The Geographical Construction of British India, 1765–1843* (Chicago and London: University of Chicago Press, 1997); and Dennis Cosgrove, ed., *Mappings* (London: Reaktion Books, 1999).

<sup>21</sup> Susan Schulten, *The Geographical Imagination in America, 1880–1950* (Chicago: University of Chicago Press, 2001, p. 39.

<sup>22</sup> J.B. Harley and David Woodward, eds., *The History of Cartography*, vol. 2.1 (Chicago: University of Chicago Press, 1992), p. 512.

This dissertation argues that there are real material and social implications of images of the West. The “West of the Imagination” and the physical and social geography of the West are intimately linked. The field of landscape perception, as I have identified it, has stressed reading images of the West, or maps. The scholarship is more concerned with what went into the production of an image than what the result of that image was. This dissertation seeks to uncover the life of western images after they are produced. What role did images of the West play in its history? What role did westerners themselves play in the creation of the West, both real and imagined?

### **Space, Place, and History**

I have attempted to examine these questions by examining the transformation of the Pacific Northwest from an abstract space, literally a blank spot on a map, to a concrete, lived place, fully integrated into the American market economy. Questions of space and place so essential to cultural geography have only recently entered the historian’s purview, yet they are at the very heart of the field of cultural geography. Central to my understanding of these concepts are the insights of critical theorist Henri Lefebvre, who argues that space is socially constructed, the product of social relations.<sup>23</sup> Like Lefebvre, geographer Edward Soja, in his attempts to “reassert space in critical social theory,” argues that space both represents as well as constitutes social relations and relations of power. In other words, we can “deconstruct” the physical landscape to analyze society itself.<sup>24</sup> But space is more than just representative of society, for it also is an active shaper of it. As the philosopher E.V. Walter argues, space is more than just a passive stage upon which the drama of history is played out, “‘place’ is an active receptacle” that shapes society, culture, and history itself.<sup>25</sup> Social relations are incomprehensible, then, without an understanding of spatial relationships and spatial

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<sup>23</sup> Henri Lefebvre, *The Production of Space*, trans. Donald Nicholson-Smith (Cambridge, Mass.: Blackwell, 1991).

<sup>24</sup> Edward Soja, *Postmodern Geographies: The Reassertion of Space in Critical Social Theory* (New York: Verso, 1989).

<sup>25</sup> E.V. Walter, *Placeways: A Theory of the Human Environment* (Chapel Hill: University of North Carolina Press, 1988), p. 12.

politics. Put bluntly, those in power can and do legislate, police, and seek to control space. Similarly, historical subjects who lack access to power turn to cultural elements as means of resistance or opposition, so too can they appropriate, or create, space as a means of resistance.<sup>26</sup>

In this dissertation, I distinguish between space and place. In doing so I rely heavily on both cultural geographers and environmental historians. In *The Organic Machine*, a subtle and well-crafted discussion of nature, labor, and society along the Columbia River, historian Richard White adds a new shade of complexity to the term “nature.” He talks about nature as both “a cultural construct “ as well as “a set of actual things outside of us and not fully contained by our constructions.”<sup>27</sup> This dual quality of landscape as the imagined and the material, mirrors my understanding of place and space. Space, to borrow from White, would be the “set of actual things outside of us and not fully contained by our constructions,” while place is the combination of the physical and imagined landscape.

This concept of nature, at once a cultural construct and a set of actual things outside of us and not fully contained by our constructions is incredibly important in this dissertation. Underlying this history is the assumption that nature itself played a role in the larger process of transforming space into place. The landscape of the Pacific

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<sup>26</sup> In recent years environmental historians, looking at the intersection of ideas about the environment, race, class, and gender, have begun to investigate how our perception of geographic space has influenced the kinds of spaces made by American society. See Theodore Catton, *Inhabited Wilderness: Indians, Eskimos, and National Parks in Alaska* (Albuquerque: University of New Mexico Press, 1997); Karl Jacoby, *Crimes Against Nature: Squatters, Poachers, Thieves, and the Hidden History of American Conservation* (Berkeley: University of California Press, 2001); Mark David Spence, *Dispossessing the Wilderness: Indian Removal and the Making of the National Parks* (New York: Oxford University Press, 1999); Louis S. Warren, *The Hunter's Game: Poachers and Conservationists in Twentieth-Century America* (New Haven: Yale University Press, 1997).

These authors primarily investigate the implications of what philosopher Neil Evernden has called the “social creation of nature.” On constructions of nature see Neil Evernden, *The Social Creation of Nature* (Baltimore: Johns Hopkins University Press, 1992); William Cronon, “The Trouble with Wilderness; or, Getting Back to the Wrong Nature,” in *Uncommon Ground: Toward Reinventing Nature*, ed. William Cronon (New York: W.W. Norton & Co., 1995); David Demeritt, “The Nature of Metaphors in Cultural Geography and Environmental History” *Progress in Human Geography* 18, no. 2 (1994); and Roderick Nash, *Wilderness and the American Mind* (New Haven: Yale University Press, 1967).

<sup>27</sup> Richard White, *The Organic Machine: The Remaking of the Columbia River* (New York : Hill and Wang, 1995), p. x.

Northwest was a crucial factor in the stories of the various transportation companies operating in the region, as well as the stories of resistance examined here.

Geographer Yi-Fu Tuan, who talks about the transformation of abstract space into lived place put a great emphasis on experience in the landscape. Although this set of knowledge about a space is still bound to be intensely ideological, and thus open for debate and contestation as this dissertation will demonstrate, it is a different kind of knowledge than the conceptual understanding of a government official or railroad president who has only visited the landscape on occasion. The idea of knowing a place through experience as opposed to an abstract framework mirrors White's discussion of knowing nature through labor. White argues that the Romantic tradition of environmentalism has actually distanced humans from the physical environment, and he critiques environmentalists for stressing the "eye over the hand, the contemplative over the active." Instead, White argues "it is our work that ultimately links us ... to nature."<sup>28</sup> Similarly, it is the everyday lived experience of the residents of the Pacific Northwest that linked them to the place.

Railroad barons and other corporate owners and directors in the East had but a vague a concept of the Pacific Northwest, but it was grounded in little else other than their hope of monopolizing regional trade. Working for those owners and directors were managers, residing in the Northwest, who had experiential knowledge of the region, than was richer, more textured, and born out of their own work within the landscape. They literally helped turn the abstract space of the landscape, in to the place of the Pacific Northwest, serviced (or controlled) by various corporate enterprises. Similarly, those residents outside of the corporation – Indians, farmers, and laborers – had a different relationship to the landscape than the corporate managers who worked in the region. On some level it would be disingenuous to argue that the highly-paid chief engineer of a railroad who conducted surveys in the Pacific Northwest had a similar experiential knowledge of the region than a laborer who graded the track and laid the rails. Yet, the two occupy the same analytical place compared to the New York financier who owned

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<sup>28</sup> *ibid.*

the road, but spent little more than a month in the region over the course of his entire life. Different forms of work beget different understandings of a particular landscape. However, those understandings are of a different order than the abstract conceptual knowledge held by individuals who reside completely outside of that landscape.

The abstract narrative holding this dissertation together is largely about the transformation of the Pacific Northwest from space to place. At mid-century, Americans had little understanding of the region. In many ways it was literally a blank spot on a map. Over the next sixty years, Americans, both residents and outsiders, began to overlay a more and more complex set of ideas about that place, onto the space itself. Ideas about the region went from the comparably unknown, the blank spot on a map, to a vague, abstract, conceptual landscape, to an landscape of experience, where the understanding of the region came from those who experienced it. This transformation took the form of capitalist development, a process rife with contestation and struggle, wherein local residents, newcomers, and outsiders tried to make their vision of the Pacific Northwest a reality.

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My dissertation builds on these insights by investigating the formation of new spaces and geographies in the Pacific Northwest, specifically the creation of the Columbia River as a corporate-controlled trading route, and the larger regional economic geography that resulted from that impulse. Because nature rarely conformed to the dreams of corporate managers and presidents, these men sought to “improve” on the nature of the Columbia River by using the railroad to link increasingly far-flung spaces to the “natural highway” that was the river. These questions have taken me from the shores of the river at the Cascade locks, now largely submerged by the Bonneville dam, to the Umatilla reservation adjacent to Pendleton, Oregon some 50 miles from where the railroad tracks leave the river, to the coal mines of King County, Washington, over 120 miles north of the river at Bonneville dam. In the late nineteenth-century these spaces were satellites in the same industrial constellation of the railroad empire nominally presided over by Henry Villard. They are largely unconnected now, divided as they are

by the Cascade Mountains, the political borders between Oregon and Washington, and the gravitational pull of the two competing urban centers, Seattle and Portland. Yet one hundred years ago corporate managers took great pains to create intimate links between them, and in doing so created a geography which cemented Portland as the regional capital of the Pacific Northwest. The process was not without its struggles or its discontents. At the same time local residents in all these areas agitated and lobbied to bring the railroad to their doorsteps. They fought bitterly against what they thought was a corrupt, “foreign” (in that it was not locally owned), and unfair corporate monopoly that had betrayed the promises inherent in the nineteenth-century notion of the American West, itself a landscape of promise.

This dissertation is divided into two parts. Part I, called “Spaces of Capital,” examines the rise of two transportation monopolies, the Portland-owned Oregon Steam Navigation Company, and its corporate successor, the Oregon Railway & Navigation Company, financed primarily with New York and German capital. I see the corporate expansion of the OSN and the OR&N as part of a larger process that occurred in the American West after the Civil War. Lacking the constitutional and financial capacity necessary to integrate the farther reaches of its continental empire, the federal government enlisted industrial capital to help develop a landscape over which it had a thin political dominion, a process which led to the privatization of western expansion. Because of the peculiar ways in which the federal government encouraged railroad growth—land grants, congressional charters for railroads, and free access to the public domain—the Department of the Interior placed a high degree of importance on cartographic information, a fact which gave maps an impressive amount of power in corporate battles for the domination of a landscape. As a result nineteenth-century transportation monopolies created, transmitted, and manipulated geographic knowledge in order to secure property rights for their enterprises. Maps, surveys, and other methods of conveying information became more than just representations of the landscape, they became instruments that corporations and the government used to transform that landscape and its history.

Chapter 1, “Building a Market,” examines the creation of the Columbia River as a corporate trading trail. In it I trace the property rights, or paper landscapes, at the Cascades of the Columbia, a series of rapids that interrupted navigation on the river. I show how the Oregon Steam Navigation Company (OSN) incorporated the property at the rapids into a single corporate entity, a process which allowed them to effectively close the river to other through traffic. Soon after, four stockholders—J.C. Ainsworth, Simeon Reed, R.R. Thompson, and William Ladd—became the sole owners of the company for the rest of its corporate existence, eliminating 45 original investors. To accomplish this, the four strenuously policed the borders between the directorate and the rest of the owners with a gendered understanding of management. The board of directors modeled their meetings on the secret fraternal organizations to which they belonged, using ideologies of manliness as a defense against the prying questions of the rest of the stockholders. If the owners used the spatial confines of the boardroom to secure power, so to did they rely on geographical separation between regions. When other investors moved from Portland to California, Massachusetts, or New York, the four remained in Portland, preferring to personally oversee both the daily operation of the company as well as its long term strategy. When confronted with the more removed ownership of financial and managerial capitalism, the four relied on a more traditional form of “entrepreneurial capitalism” that demanded a close proximity to their field of operation.

After Ainsworth, Reed, Thompson, and Ladd had successfully defended their Columbia River property from challenges within the OSN, the owners moved to secure the incorporated property at the rapids from entrepreneurial and corporate challenges outside of the board. Chapter 2, “Constantly Recurring Antagonism” shows how the OSN board gained a monopoly over the set of geographic information that governed property rights along the river. The board used the power of the state to erase the distinction between the physical and paper landscape at the Cascades. The OSN owners cultivated a relationship with various branches of the state and federal government to obtain legal sanction for their vision of exclusive property rights along the river. The story of corporate challenges at the Cascade Rapids illustrates that even the most secure corporate

monopolies were unstable and constantly threatened. However, the OSN story also illustrates that corporations who monopolized state sanctioned geographic information were able to monopolize the landscape itself. If the OSN owners' initial perception of the Columbia River was essential to obtaining title to strategic pieces of property, the owners' ability to give legal definition to their landscape perceptions helped them fend off entrepreneurial and corporate challenges to their intended monopoly.

In 1879, New York banker Henry Villard used German, English, and New York capital to incorporate the Oregon Railway & Navigation Company which immediately purchased the OSN and began to substitute railway connections for steamship routes. The goal of the new company was to monopolize transportation in the region, but Villard's vision was vague and ill-formed. Chapter 3, "Building a Better Market," examines how western resident managers were responsible for the refinement and implementation of company policy in what other historians have called "Villard's Empire." This chapter defines the geographic nature of corporate hierarchies by showing how resident managers in the West used their unique geographic location to gain power over eastern owners and directors. Former owners of the OSN along with trained surveyors and engineers resided in the Northwest and decided upon both long term strategy as well as the daily operation of the road. In addition to running the road itself, western surveyors, engineers, and managers convinced Villard to invest in farming, timber, and mining operations in the region. Managers monopolized geographic information of the region which they used to influence eastern directors. In addition, they were responsible for the creation of the road as a corporate entity. By focusing on the legal apparatus governing transportation corporations in the Pacific Northwest, I show how the information created by resident managers provided the groundwork for the successful organization of the railroad and Villard's other investments in the region.

Chapter 4, "Maintaining the Monopoly," also examines the intersection of state power, corporate competition, and geographic information. After purchasing the OSN monopoly, the OR&N had to fight off corporate challenges from both local entrepreneurs and non-local capitalists. The tactics it used were similar to those of the OSN a



generation before, although the OR&N was less willing than its ancestor to include government actors in its defense. Instead, Villard and his eastern directorate relied on the geographic information from the periphery to negotiate legal contracts with other corporations and create an OR&N paper landscape to control the region's transportation. These paper landscapes were imbued with state power, but relied less on state actors. As such they were both more and less secure. The first half of the chapter illustrates that the very legal structure which gave rise to the OR&N monopoly also provided for smaller, local, corporations to institute legitimate threats to the company. The second half investigates the battle for the transportation of the Northwest between the OR&N and the Northern Pacific Railroad, a well-funded, federally-chartered, transcontinental road with guaranteed property rights and a congressionally determined route. In both instances, the OR&N used state sanctioned geographic documents—maps of location, rights of way, corporate charters, and corporate traffic agreements—to maintain their monopoly.

The common ground between the state and capital of this imagined West became contested ground when viewed from the perspective of local residents. Part II, "Spaces of Resistance," examines the social history of landscape perception. If railroad companies used surveys and maps as tools in the creation of new landscapes, so too did they employ them to exclude competitors and alienate residents from their property. But local residents without access to company boardrooms responded to the growing corporate control of the landscape by creating their own image of the Northwest that reverberated in the halls of legislatures and corporate offices. Farmers and laborers refashioned the idea of masculine independence and free white labor in nature, using these ideas as political tools to combat what they saw as unjust corporate power. Indians of the region cultivated a communal sense of their place in the landscape which they employed in relations with the railroad and the government. Examining the "myth of West" from the perspective of Westerners themselves corrects a longstanding "eastern" or metropolitan bias and helps give westerners a voice in the creation of their own image. Finally, investigating the history of transportation through the lens of landscape perception helps us to understand the relationship between perception, place, and power.

Chapter 5, “Despoiling Our Inheritance,” focuses on rise of agrarian radicalism in the Northwest. Wheat farmers in eastern Oregon and Washington provided a bonanza of freight for both the OSN and the OR&N, but protested what they considered unfair freight rates and the illegal corporate domination of a common highway, the Columbia River. I look at the Patrons of Husbandry to illustrate how farmers used their own landscape perceptions in the political fight for the control of the Columbia River. Grangers used the rhetorical weapon of masculine republican farmers and the myth of Oregon trail against the transportation monopolies. Farmers organized and took their protests to state legislatures and Congress with mixed results. Oregon’s legislature passed a series of regulatory laws governing transportation in the state, but the federal courts effectively gutted them through judicial review. After repeated calls on Congress, the national legislature did allocate funds for a state owned canal and portage railway at the Cascade rapids. Both the OSN and the OR&N fought to keep the rapids under corporate control. Construction of the canal eventually began, but it was not completed until nearly 20 years after Congress had authorized the funds for it.

Chapter 6 looks at the conflict that erupted on the Umatilla Indian reservation when the OR&N sought a right of way across the reservation. The Umatilla residents used the reservation as cooperative ranch land, but the federal government, which legally controlled the land, wanted to break up the reservation into individual allotments. The government saw the road as a way to help fund and facilitate the shift from cooperative to individual ownership. When surveyors for the OR&N requested a right of way across the Umatilla Reservation, the Interior department granted it on the condition that the right of way be fenced. Reservation residents fought against fencing because they felt it would have inhibited their ability to keep large herds of stock. The Indians, the federal government, and the railroad entered into a complex negotiation. In the end, the Umatilla residents managed to keep the road from being fenced, but the increase in traffic brought more white settlers to the region who demanded that reservation lands be individually allotted and the rest sold to the public.

Chapter 7 looks at labor and landscape by investigating the strikes at Washington Territory's Newcastle coal mines, owned by the OR&N's sister corporation, the Oregon Improvement Company (OIC). Coal from OIC mines provided freight for the OR&N cars and steamers as well as fuel for its engines. But poor production and inferior coal deposits plagued the company and helped fuel labor disputes. When miners went on strike, the company imported black miners from Illinois. The white miners retaliated with violence. They used the myth of a white, masculine pioneer to criticize and combat the company's reluctance to pay higher wages and import non-white labor. Similar to their rural counterparts, strikers constructed themselves as the masculine ideal of Oregon pioneers, and the rightful owners of the legacy of the Oregon trail.

The politics of landscape perception were part of a larger cultural dialogue in the nineteenth-century Pacific Northwest. Viewing the land, Northwesterners saw more than tall trees and wide valleys, something different from the Garden of Eden that booster literature promised. Some saw railroads, corporate farms, and industrial coal mines; these residents saw progress. Others saw Indian reservations, monopolized river transport, and Chinese laborers; they saw corporate corruption. Northwesterners saw both the Oregon of their expectations and the Northwest of their lived reality. The gap between the two drove some to angry political action and others to fond nostalgia for a distant past. But these late-nineteenth century visions of the Northwest had implications beyond the cultural realm. They affected both the physical and social geography of the region itself—the landscape of rivers, mountains, forests, and fields, and the landscape of corporate managers, farmers, laborers, and Indians.

## **Inset: Crossroads**

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### **Debating and Defining the Oregon Trail**

*Never was there a country about which such conflicting opinions and statements had been promulgated. One class of visitors to that region represent it as an earthly paradise; another as a desert waste.*

– Senator William Dayton on Oregon (NJ)<sup>1</sup>

Lydia Allen Rudd had a pretty clear idea of where she was headed. As an emigrant looking to settle on some of the free land the government was offering in Oregon, she had read many of the myriad booster tracks and guidebooks written for would-be emigrants to the Oregon country.<sup>2</sup> The guidebook painted a promising view of Oregon and the trail over which she and her husband were to pass. Quite possibly, more words were written about the Oregon trail than were penned about Oregon itself. Using a host of different literary techniques, guidebook writers told emigrants like Lydia, just how easy it would be to get to Oregon.<sup>3</sup>

Ease of travel was the dominant image of the Oregon trail. Guidebook author J. M. Shively, also an 1842 emigrant, told his readers that “when the emigrants start to ... Oregon, they should not fancy that they are doing some great thing.” The journey was so

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<sup>1</sup> *Congressional Globe*, 28<sup>th</sup> Cong. 1<sup>st</sup> sess., 1: 322.

<sup>2</sup> See Lydia Allen Rudd. “Diary of overland journey from St. Joseph, Mo. to Burlington, Ore. by way of the Oregon Trail, The Dalles, Oregon City and Salem.” Huntington Library Manuscript, 27519.

<sup>3</sup> A number of articles has been written explaining the boosterism that existed in the emigrant guides, focusing on the “Edenic,” fertile, garden-like qualities of the Oregon Country. On the causes of Oregon migration see Dorothy O. Johansen, “A Working Hypothesis for the Study of Migrations,” *Pacific Historical Review* 36 (February, 1967): 1–12; Stephen Dow Beckham, “Hype and Hardcopy: Emigrant Guidebooks for the Oregon Trail,” *Oregon Humanities* (Winter, 1992), William A Bowen, *The Willamette Valley: Migration and Settlement on the Oregon Frontier* (Seattle, 1978); William Lang, “An Eden of Expectations: Oregon Settlers and the Environment They Created,” *Oregon Humanities* (Winter, 1992): 25–29, James Ronda, “Calculating Ouragon,” *Oregon Historical Quarterly* (Summer-Fall, 1993); and John D. Unruh, *The Plains Across: The Overland Emigrants and the Trans-Mississippi West, 1840–60* (Urbana, Illinois, 1979), esp. chapters 1–2.

For a bibliography of emigrant guidebooks, see C. K. Byrd ed., *The Westbound Pioneer: Overland Emigration to Oregon* (Bloomington, Indiana: The Lilly Library, Indiana University, 1989), L. W. Mintz, *The Trail: A bibliography of the Travelers on the Overland Trail to California, Oregon, Salt Lake City, and Montana during the Years 1841–1864* (Albuquerque, New Mexico: University of New Mexico Press, 1987), and Henry Raup Wagner and Charles L. Camp, *The Plains & the Rockies: A Critical Bibliography of Exploration, Adventure and Travel in the American West, 1800–1865* (San Francisco, 1982).

easy, Shively argued that even women need not bring anything “other than their ordinary clothing at home.”<sup>4</sup> John C. Frémont, the famed government explorer echoed this gendered vision of the emigrant trail. Outside of what is now Cokeville, Wyoming, Frémont’s expedition met an emigrant train whose “picture of home beauty ... went directly to our hearts. ... The women were occupied in preparing the evening meal, and the children playing in the grass.” In all, the scene presented “an air of quiet security, and civilized comfort.”<sup>5</sup> This vision of a community of immigrants was both recognizable and reassuring. Feminized domesticity along the trail itself seemed to indicate that even the journey was, in Frémont’s words, “civilized.”

Guidebook authors tamed some impressive landscapes with their words. Samuel Royal Thurston, in an article on Oregon in *Stryker’s American Register and*

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<sup>4</sup> J. M. Shively, *Route and Distances to Oregon and California, with a description of watering-places, crossings, dangerous Indians, &c. &c.* (Washington, D.C.: Wm. Greer, Printer, 1846), pp. 3, 5–6.

<sup>5</sup> Donald Jackson and Mary Lee Spence, *The Narratives of John Charles Frémont*, (Urbana, 1970) vol. I: 472–473. On Frémont’s explorations and influence see William H. Goetzmann, *Exploration and Empire: The Explorer and the Scientist in the Winning of the American West* (New York, 1966)

When Frémont returned from his explorations, an eager Congress immediately ordered 10,000 copies of his narratives, supposedly for the use of the members during the debate over ending joint-occupation in Oregon. But Illinois Democratic Senator Breese also pushed through a resolution to advertise the report in newspapers and sell it to the public, thus turning Congress, a legislative body, into a commercial publishing house. During the years immediately following Frémont’s return from Oregon, there was hardly a session of Congress that did not agitate for more copies of the report. The 30<sup>th</sup> Congress printed 20,000 copies of Frémont’s seven-part emigrant map and 20,000 copies his *Geographical Memoir upon Upper California*. The following session, Congress passed a resolution to print an additional 10,000 copies of the map as well as a resolution to print and market an edition of Frémont’s reports combined with William H. Emory’s first report on the southwest. Finally, commercial publishers were unwilling to concede all the profits to Congress and printed at least 19 separate editions of Frémont’s reports. Figures on the commercial print runs are available for only two of the 19 editions published. For those two additions, at least 30,000 copies were printed. During the gold rush, the edition combined with Emory’s southwestern reconnaissance had wide circulation. See *A Catalog of Books Represented by Library of Congress Printed Cards* (Ann Arbor, 1943), 51: 402–04.

For legislation dealing with original printings see S. Rpt. 226, 30<sup>th</sup> Cong., 1<sup>st</sup> sess., serial 512; *Congressional Globe*, 27<sup>th</sup> Cong., 3<sup>rd</sup> sess., 1843, 389–390; and 28<sup>th</sup> Cong., 2<sup>nd</sup> sess., 309, 391. For the Breese resolution and its legislative history, see *Congressional Globe*, 29<sup>th</sup> Cong., 1<sup>st</sup> sess., 54, 83, 86, 122, 192. For Benton’s resolution see *Congressional Globe*, 30<sup>th</sup> Cong., 1<sup>st</sup> sess., 822. See also John C. Frémont, “Geographical Memoir upon Upper California, and Illustration of His Map of Oregon and California,” (S. Misc. Doc. 148, 30<sup>th</sup> Cong., 1<sup>st</sup> sess., serial 511). For Breese’s resolution regarding additional printing, see *Congressional Globe*, 30<sup>th</sup> Cong., 1<sup>st</sup> sess., 1044, 1059. For Congressional legislation on the Frémont and Emory combined report, see *Congressional Globe*, 30<sup>th</sup> Cong., 2<sup>nd</sup> sess., 136, 199. Emory’s report was originally entitled *Notes of a Military Reconnaissance, from Fort Leavenworth, in Missouri, to San Diego, in California, Including Part of the Arkansas, Del Norte, and Gila rivers* (H. Exec. Doc., 41, 30<sup>th</sup> Cong., 1<sup>st</sup> sess.). See also Frémont, *Notes of Travel in California*.

*Magazine* articulated one of the most dominant perceptions of the Oregon trail when he wrote of the Rocky Mountain's South Pass. "You will be deceived in scaling the height of the celebrated Rocky Mountains," on the trail's "smooth and comparatively level road on the summit," Thurston claimed. The only indication emigrants had that they were traversing the mountains, he argued, was the fact that he could look "down on the slope descending to the Pacific."<sup>6</sup> Thurston's description of the journey, like many others, implied that from the South Pass, the emigrant would simply coast down to the Willamette Valley, or to the very shores of the Pacific. In Thurston's hypothetical geography, the Rocky Mountains contained but a single ridge of mountains, and after the emigrant gained the summit, the mountains were no longer an part of the trail.<sup>7</sup>

The comfort and safety of the trail experience was reinforced by the way in which the authors actually described the journey. The most ubiquitous technique guidebook writers used was numerical abstraction. Joel Palmer, an emigrant himself who wrote his experience into a guidebook that went through at least seven different editions, included an appendix of trail mileages and distances for his readers. A two-column list of geographical points and distances, it was essentially a verbal map of the trail from Missouri to Oregon, not unlike the driving directions we can download from the internet. "From where the road leaves Burnt river to the lone pine stump in the bottom of Powder river, 28 [miles]; to the crossing of Powder river, 10 [miles]; to Grand Round 15 [miles]."

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<sup>6</sup> Samuel Royal Thurston, "Geographical Statistics. Oregon, Its Climate, Soil, Productions, etc." *Stryker's American Register and Magazine* 4 (July, 1850): 213.

<sup>7</sup> Glyndwr Williams employs the term "hypothetical geography" to explain the ways in which imperial states represent the unknown world. By his definition, hypothetical geography has elements of both fact and fiction which combine to create substantive knowledge upon which the state then acts. I use the term here to show how guidebook writers used the common vocabulary of geography to define that which they did not understand, to create a comprehensible whole. See Glyndwr Williams, "Myth and Reality: The Theoretical Geography of Northwest America from Cook to Vancouver," in *From Maps to Metaphors: The Pacific World of George Vancouver*, Robin Fisher and Hugh Johnston, eds. (Vancouver: University of British Columbia Press, 1993).

The theory of a single ridge of the Rocky Mountains still held currency in nineteenth-century America, even though most governmental and engineering reports explained otherwise. In the end, the gentle slope of the South Pass helped to downplay the difficulties contained within the mountainous sections of the trail. On nineteenth-century perceptions of the Rockies, see John Logan Allen, *Passage Through the Garden: Lewis and Clark and the Image of the American Northwest* (Urbana: University of Illinois Press, 1975).

<sup>8</sup> But Palmer's abstraction was more than just a road map, it was also a description of his experience of the trail. Authors such as Palmer who described distance with numeric totals abstracted the journey itself into feet and miles, days and weeks, stops and starts. Doing so downplayed the difficulties inherent in such an undertaking, and smoothed over the varied experience embodied in any given mile of travel between Missouri to Oregon. Five miles along the Platte river between Independence Missouri and Fort Laramie is drastically different than five miles along the Snake River between Fort Hall and Grande Ronde.<sup>9</sup>

Although primed for an easy journey, emigrants like Lydia Allen Rudd experienced anything but. Many emigrants reacted strongly against the sanguine portrayals of the trail contained in emigrant guidebooks. By way of experiences recorded in diaries and journals, the emigrants themselves fashioned an image of Oregon that was both a criticism of the guidebooks as much as an attempt to make sense of their own decisions to embark on the Oregon journey. Just as guidebooks abstracted the trail into numerical judgments, or miles, so too did the emigrants practice abstraction. But, whereas miles erased hardship in emigrant guides, emigrants used hardship itself as a means to mark their journey. That the Oregon trail was difficult is no historical mystery. Although our pioneer legends tend to exaggerate the risks of the trail, especially the Indian threat, travel itself was certainly not mundane. Three things more than anything else, sickness, disease, and death, defined the trip for many travelers.

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<sup>8</sup> J. Palmer, *Journal of Travels over the Rocky Mountains to the Mouth of the Columbia River; Made During the Years 1845 and 1846, Containing Minute Descriptions of the Valley's of the Willamette, Umpqua, and Clamet; a General Description of the Oregon Territory; Its Inhabitants, Climate, Soil, Productions, Etc., Etc.; a List of Necessary Outfits for Emigrants; and A Table of Distances from Camp to Camp on the Route* (Cincinnati: J.A. & U.P. James, 1847), appendix.

<sup>9</sup> Guidebooks were a curious mix of Romantic emotional aesthetics and Enlightenment scientific rationality. The reliance on numerical abstraction is indicative of the Enlightenment aesthetics that informed much writing about Oregon, even the booster tracts. On the influence of Enlightenment and Romantic thought in geography, see David Livingstone, *The Geographical Tradition: Episodes in the History of a Contested Enterprise* (Oxford: Blackwell Publishers, 1992); P. J. Marshall & Glyndwr Williams, *The Great Map of Mankind: British Perceptions of the World in the Age of Enlightenment* (London: Dent, 1982); Thomas Hankins, *Science and the Enlightenment* (Cambridge: Cambridge University Press, 1985); John Logan Allen, "Horizons of the sublime: the invention of the romantic west," *Journal of Historical Geography* 18 (1991: 1), 27–40; and William H. Goetzmann, *Army Exploration in the American West, 1803–1863* (New Haven: Yale University Press, 1966).

Emigrants constructed a geography of toil when they wrote about their journey along the Oregon trail. Whereas emigrant guides tended to silence death, the emigrant diaries took every chance to note it. Women diarists, such as Lydia Allen Rudd, created a detailed and precise mapping system based upon sickness and death that they witnessed along the trail. By the time Rudd and her husband Henry Lindsay had traveled to what is now Nebraska, Lydia begins her death count. From 9 May to 6 June, she marks 24 graves, most of them, she notes, “newly made.” Rudd told her diary that “the sickness of the road is alarming. Most all proves fatal.”<sup>10</sup> Esther Bell Hanna, an 1852 emigrant, noted 94 deaths or graves along her trip. Hanna noted how many people had died, the possible causes, and the date at which her party passed them. Women such as Rudd and Hanna made careful observations as to the place, position, and occupants of the grave, and such methodological recording gives us a clue into their understanding of the trail itself. The constant sign of death was a grim reminder of the possibilities inherent in making such a trip, a decision which, as some scholars have pointed out, many women had little voice in making.<sup>11</sup>

Male diarists, however, appear just as willing to make a note of the tragedy and danger in their journeys. Men too marked death and hardship along the trail. Sylvanus Condit, an emigrant from the 1854 migration was just as methodical as Rudd or Hanna when he took to marking illness and death along the trail: May 18, “J.D. Sick today,” May 27, “Sarah is quite sick today,” June 2, S.A. quite unwell yet,” 11 June, “DWC is better, A is sick.”<sup>12</sup> Condit even began to mark when his oxen began to die. Indeed the

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<sup>10</sup> See Lydia Allen Rudd. “Diary of overland journey from St. Joseph, Mo. to Burlington, Ore. by way of the Oregon Trail, The Dalles, Oregon City and Salem.” Huntington Library Manuscript, 27519.

<sup>11</sup> Unwilling or emotionally unable to voice dissent over the trip or their role in the emigration, women might have highlighted these negative aspects of the trip as a means of resistance to the patriarchy that brought them there. It is dangerous, however, to put too much emphasis on this possibility. One would need the skills of a thousand biographers to emphasize this point, but I think it is worth mentioning. Other historians have highlighted the dissatisfaction of women in the West. And certainly the trail must have brought mixed emotions to individuals, like women and children for that matter, who had little say in the decision to walk across half a continent. On gender politics and western settlement see Annette Kolodny, *The Land Before Her: Fantasy and Experience of the American Frontiers, 1630–1860* (Chapel Hill, 1984); and John Mack Faragher, *Women and Men on the Overland Trail* (New Haven, 1979).

<sup>12</sup> S. Condit, “Diary of an overland journey from Council Bluffs, Ia., to the Willamette Valley, Ore.” Huntington Library, Huntington Library Manuscripts, HM 19912



transition from the plains to the Rockies is paralleled by a similar transition from human illness to animal disease. Even the former fur trapper and famous frontiersman James Clyman used sickness as a means of comprehending the trail. From May to August of 1844, Clyman took note in his journal the many men whose “bones rest quietly forever on the bluffs of oak creek where no noise disturbs his rest but the call of summer wild birds and the nightly howl of the lonely wolf.”<sup>13</sup>

Clyman’s poetics aside, death became a way of comprehending the length and geography of the journey for both men and women. May, cholera on the plains. June and July, dysentery. August, starving time for animals in the Rockies or the threat of frostbite in the Cascades or drowning on the Columbia. If emigrant guidebooks used hypothetical geography, numerical abstraction, and visions of future agricultural production to explain the trip to Oregon, emigrants noted their fallen companions, or worse, the nameless, barren piles of stones that brought to life the abstractions and hypotheses of the guidebooks. They made real an unreal world, and served, with frightening quickness, to appropriate the image of the trail, and lay claim to their own experience. Overland trail diaries drew a different picture of the Oregon trail than their commercial counterparts and as a result, historians are left with two drastically contradictory visions of the Oregon trail.

When I went looking for hints as to what the popular image of Oregon might have been on the eve of these mass migrations, I expected to find a fairly uniform land of promise. Yet, reading through guidebooks and diaries I found a contested vision of what lay beyond the continental divide. Emigrant guidebooks told the tale of a comfortable journey to a safe and civilized garden of Eden. Emigrants themselves were largely silent about their destination. Not surprisingly, I suppose, the emigrants were far more concerned about the wild regions through which they traversed, and were probably, I suspect, unwilling to even contemplate the possibility that the end of line might not fulfill their expectations. Instead, they turned to the monotony of the scenery they passed

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<sup>13</sup> J. Clyman, “Diary of an Overland Trip from Independence, Missouri to Oregon.” Huntington Library Manuscript, HM 3900.

through. Wild, apparently empty, and impossible to comprehend with numerical judgments or even cartographic representations, these emigrants resisted the popular belief that the trail was simply small obstacle on the way to a paradise in Oregon. Their experiences directly contradicted the erasures contained within the emigrant guides. Their diaries, as such, were moments of, and in the end monuments to their resistance. For this story, the contradictory visions in the emigrant guidebooks and diaries hints to us that western imagery was a contested landscape where different social groups articulated different visions of the land for different reasons, often specifically creating an image of Oregon in response to the dominant view. This contest over the nature of Oregon had implications both for the people involved and the landscape itself. The physical and social geography of the Pacific Northwest was in a large part determined by this struggle.

## **Part I. Spaces of Capital**

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## **1. Building a Market**

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### **The Oregon Steam Navigation Company and the Control of the Cascade Portages**

*A new road around the portage of the Cascades on the Oregon side has been completed and goods are now being transported on this side with safety and dispatch.*

– Weekly Oregonian, 9 February 1856

*The O.S.N.Co. must control the portages or the portages must control and swallow up the company in other words the whole interest must be as one.*

– John C. Ainsworth<sup>1</sup>

American emigrants who settled at the Cascades were different than those who emigrated to the Willamette valley. Instead of the stereotypical Oregon farmer eulogized in high school textbooks, Cascade settlers created centers of commerce dominated by merchants, not yeomen pioneers. The Columbia River provided a ready highway for agricultural produce traveling from farm to market, but there simply was not much arable land along the river rapids. Government surveyor Lewis Van Vleet, who came to the Cascades in 1859, noted the difficulties that confronted would-be agriculturalists: “the banks are bluffs,” van Vleet recorded in his field notes, “and are in many places almost perpendicular.”<sup>2</sup> In 1855 topographical engineer and surveyor Lt. George Derby, went to the Cascades to map property ownership and to build a military portage road, tasks that other Americans would become acutely interested in and over whose meaning and value they would fight over for the next two decades . But in 1855 Derby, like Van Vleet four years later, just noted the wildness of the land. His sketches and survey notes illustrate the precipitous river bank (see figs. 1 and 2). The steep peaks of the Cascade Mountains soar high into the air just beyond the river. The hill sides are nearly vertical and covered with a thick blanket of enormous Douglas fir. Twelve years after Derby visited the

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<sup>1</sup> John C. Ainsworth, “Reminiscences, 1892,” MSS 504-1, Oregon Historical Society, Portland, Ore.

<sup>2</sup> Lewis Van Vleet, “Field Notes, Township 2 North, Range 7 East” p. 23. On file at U.S. Bureau of Land Management Archives, Portland, Ore.

Cascades, the photographer Carlton Watkins came to Pacific Northwest in the employ of the OSN. Not even his artful compositions could give the Cascades the look of a picturesque human landscape (see fig. 3). His chronicles of human activity at the Cascades have the sense of humanity clinging to the shores of the river; individuals in isolation, surrounded by an ocean of thickly forested mountains. Much more than settlement, these scenes evoke struggle.

The physical facts of the Cascades did not deter initial settlers however, instead they attracted them. For the same reason that the Cascades were so unwelcoming to the eye of a farmer, it beckoned the merchant.<sup>3</sup> As the rapids confined the flow of river, so too did the mountains confine the traffic of people at the Cascades. Here was a natural break in the only major artery of commerce on the Pacific Slope north of San Francisco. To the east beyond the Cascades and The Dalles, the Columbia River is navigable for nearly 1300 miles. The distance from the ocean to the first obstructions beyond The Dalles was 1664 miles. Overland emigrants from the eastern and middle western United States used the Columbia River as a route to the American settlements on the Willamette River. The federal government traveled the Columbia highway to provision its forts and outposts east of the Cascade Mountains. All this traffic meant a steady flow of people and goods through the Cascades, but the confines of the river forced this traffic off the river and over the land. Although the Cascade survey reports note nothing but the lack of arable land, river settlers were not farmers. They created a landscape of commerce over the natural break in the emigrant trail.

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It is difficult to imagine that story of the early development of the Cascades of the Columbia River could tell us anything about American capitalism. And yet the events

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<sup>3</sup> Overland emigrants developed their own unique visions of the territory to which they traveled after their long journey on the Oregon trail and their arrival in the Pacific Northwest. However, the vast majority of them had come to Oregon and Washington Territory to take advantage of what they thought was a vast amount of free and fertile agricultural land. See William H Goetzmann, *Looking at the Land of Promise: Pioneer Images of the Pacific Northwest* (Pullman, Wash.: Washington State University Press, 1988); Stephen Dow Beckham, "Hype and Hardcopy: Emigrant Guidebooks for the Oregon Trail" *Oregon Humanities* (Winter, 1992); William Lang, "An Eden of Expectations: Oregon Settlers and the Environment They Created" *Oregon Humanities* (Winter, 1992): 25–29; and James Ronda, "Calculating Ouragon." *Oregon Historical Quarterly* 94, nos. 2-3 (Summer-Fall, 1993).

along the river portages and the circumstances that influenced them are at the very heart of nineteenth-century business practices. The shift from entrepreneurial to managerial capitalism described by business historian Alfred Chandler took place not only in America's market center, but also in its hinterland.<sup>4</sup> Moreover, the significant role that transportation companies played in that shift, and the perennial problem of shipping agricultural commodities and natural resources from hinterland makes a place like the Cascades an ideal space to study the intersection of nineteenth-century American business history and western history. The Cascades went from a stop on the Oregon trail to an integral piece of a multi-million dollar corporation. The story of that shift is, in many ways, the story of American business.

Business at the Cascades was entrepreneurial, that is to say individuals and small groups of men risked their own financial capital to inaugurate businesses that they both owned and operated. As entrepreneurs, the distance between the business and the man was slight. Owners were responsible for providing the investment and operating capital of the business; they were in charge of the long-term strategy of their own business interests; and owners played an integral part in the daily operation of the business. The distinction between the "business model" that grew up along the cascades and countless other small western and American locales, and the large scale multi-national corporations of today, where stockholders have little if anything to do with the operation of a company, could not be more pronounced. But the businesses that arose at the Cascades and along the Columbia River came into existence during a time when owners, even of corporations, played a large role in the business of the company.

One of the West's most powerful corporations came into existence along the banks of the Columbia River at Cascade Rapids, the Oregon Steam Navigation Company (OSN). The rapids, an obstacle to both travelers and shippers, kept all but the smallest boats, and the most fearless of pilots, from journeying up or down river. In the 1860s, the original owners of the portage lands, the riverfront property along the rapids, joined with

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<sup>4</sup> See Alfred D. Chandler, Jr., *The Visible Hand: The Managerial Revolution in American Business* (Cambridge, Mass.: The Belknap Press of Harvard University Press, 1977); and my discussion of Chandler above in the "Introduction."

a group of steamboat operators in a combination that would eventually close the entire river to competitive traffic. The OSN owned the Columbia River. By refusing to transship competitive property along their portages, and aggressively buying out the more well-funded competitors, the owners of the OSN all but dominated the entire traffic of the Columbia River watershed. That story, the subject of this chapter, is a complex tale of business intrigue, alliances, and competition. But it is also a story of early settlement, government statutes, and property rights.

The story of the Cascades teaches us important lessons about the spatial nature of nineteenth-century commerce. To say that the business of transportation is a spatial venture is to state the obvious. But there are important spatial dimensions to the operation of the OSN beyond the fact that the company shipped freight and passengers from point A to point B. The type of commerce practiced by the OSN owners, entrepreneurial capitalism, itself operated on a number of spatial planes: the material, the perceptual, and the metaphorical. At the bottom of a complex hierarchy lay material reality, the physical landscape of the Cascades. Nature itself played a role in the rise of the OSN monopoly. The obstructions at the Cascades, rocky outcroppings of volcanic ore, formed hundreds of thousands of years before any human settlement, gave shape to the river itself. The Cascades forced salmon to jump out of the water on their return trips to spawn. The rapids forced steamboat men to ship their cargos along the rocky ledge beyond the obstruction. Of course, it was human perception of that landscape that gave those rocks force. Native Americans came to the Cascades to because the salmon that were so essential to their diet and commerce were easy to obtain at the rapids. Shippers sent commodities along the river because it was easier than fighting the forests, mountains, and plains that existed between the mining and farming settlements east of the Cascade Mountains, and the markets and buyers to the west. The notion of property provides us with an avenue to examine the interaction of these spatial planes as well as the play of commerce on them. Property ownership embodied both the physical—rapids—and the perceptual—obstructions to navigation. It is by examining property that we can begin to comprehend the very spatial nature of nineteenth-century American capitalism.

There are also metaphorical aspects of spatial relationships that mattered to the OSN owners as entrepreneurs. There was the obvious social distance between the owners and their employees, especially the laborers who built the rail portages along the Cascades. But there was social distance among the corporation's owners as well. Some owners lived in Portland and played a large role in the running of the company, while others preferred to retire to New York or California where they could live comfortably off their dividends. That geographical separation was mirrored by the official corporate separation of the board of directors. Some owners occupied a place on the board of directors and some did not. The board meetings were an integral space, for the meetings were private and the notes unpublished. The board meetings masked hidden machinations, schemes, and often even corruption. Even in the board, though, there were alliances, groups that understood themselves as "insiders" and their rivals as "outsiders."

Four stockholders in particular epitomize the spatial benefits and pitfalls inherent in running the OSN: John C. Ainsworth, a former Mississippi river boat captain; Simeon G. Reed, a Massachusetts native who came to Oregon to run a dry goods store; Robert R. Thompson, an Indian Agent in Oregon with the lucrative contract for shipping Army provisions beyond the Cascades; and William S. Ladd, a merchant turned banker turned transportation magnate. These men formed an alliance within the OSN ownership based on their location in Portland, their membership on the board of directors, and their mutual interest in being involved in both long term strategy and daily operation. Within five years of the company's creation, they had forced out the twenty-some original investors as well as all those who came into OSN stock since its inception. By 1865, they had complete control of the company.

In this chapter, I am going to investigate the spatial nature of the corporate history that played out along the Columbia River at the Cascades and that was so heavily influenced by the river and the rapids. Because property played such an important role in that history, I will start by examining the early land claims at the Cascades. Those settlers who came to own the river portages became influential members of the business elite that capitalized on their existence. After sketching out the genealogy of ownership at the



Cascades, we will move on to the early transportation developments along the river. Next we will turn to the machinations of the board of directors, their ideologies about property, corporations, and commerce, to see how OSN owners were both subject to and apt at manipulating the social spaces of their own corporation. As we will see, initial ownership of the portages was not as important as the portage rights themselves. Once the four stockholders—Ainsworth, Reed, Thompson, and Ladd—had total control, they attempted to strengthen their control of the region’s trade. They invested in transportation properties both along the Willamette River, where they were not so successful, and beyond the Cascade Mountains in the fertile, rolling hills of the high Columbia plateau. Ultimately, it was their efforts in the interior that would bring so much freight through their stranglehold at the Cascade Rapids.

### **Sketching the Paper Landscape: Early Land Claims at the Cascades**

On a rainy spring day in 1850, Francis Chenoweth and his wife Elizabeth stood in the General Land Office in Skamania County Washington Territory and claimed nearly a square mile of land as part of the Oregon Donation Land Act. Congress had passed the Donation Land Act in 1850. The law granted an entire section, 640 acres, free of charge to married white residents and 320 acres to single white men.<sup>5</sup> Francis Chenoweth had come to Oregon a year earlier and he and Elizabeth had been married only a month before they came to the Cascades.<sup>6</sup> With the savvy of long term residents, they settled on

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<sup>5</sup> “An Act to create the Office of Surveyor General of the Public lands in Oregon, and to provide for the Survey, and to make donations to settlers of the said Public Lands,” 27 September 1850, 9 Stat. 497. For a discussion of the Donation Land Claim Act see Carlos Schwantes, *The Pacific Northwest: An Interpretive History, Revised and Enlarged Edition* (Lincoln, Nebraska: University of Nebraska Press, 1996), p. 121; Roy M. Robbins, *Our Landed Heritage: The Public Domain 1776–1936* (Lincoln, Nebraska: University of Nebraska Press, 1962), pp. 153–154.

<sup>6</sup> Seattle Genealogical Society, *Washington Territory Donation Land Claims: an abstract of information in the land claim papers of persons who settled in Washington Territory before 1856* (Seattle: Seattle Genealogical Society, 1980), p. 203. Although I have taken pains to examine the following sources personally, the narrative for the land claims along the Cascades has been previously outlined in a series of public history documents written by Steve Beckham, Rick Minor, and Kathryn Anne Toepel. See Stephen Dow Beckham, “‘This Place is Romantic and Wild:’ An Historical Overview of the Cascade Area, Fort Cascades, and the Cascade Townsite, Washington Territory” (Eugene, Ore.: Heritage Research Associates, 1984); Rick Minor and Stephen Dow Beckham, “Cultural Resource Overview and Investigations for the Bonneville Navigation Lock Project, Oregon and Washington” (Eugene, Ore.: Heritage Research

prime portage lands along the Middle Cascades. The Chenoweths were soon followed by a number of Oregon emigrants who played a large role in the creation of the Columbia River as the region's most important trading trail. The property owned by the Chenoweths, and a handful of nearby parcels provided the basis for the OSN's eventual monopoly of the river's freight and passenger service. In order to understand the OSN, we need to investigate their property rights.

The Chenoweths selected 635.53 acres in Sections 14, 15, 16, 21, and 22, all in Township 2 North, Range 7 East on the cadastral survey charts available in the land office (see map 6).<sup>7</sup> Cadastral maps are maps which specifically show ownership, and governments use them for all manner of things—taxation, adjudication, or, if the case in the United States, sale.<sup>8</sup> After the end of the revolutionary war, the United States government under the articles of confederation obtained title to all the states "western lands," land claims beyond the Appalachian mountains which the kings of England had granted to the individual colonies. Six states had overlapping land claims on the "old Northwest" a situation that would lead to a legal quagmire once the states began granting land to revolutionary veterans in lieu of cash payment. When New York ceded its western lands to the notional government, most of the states followed suit. In typical Enlightenment fashion, members of Congress set out to devise a rational means of disposing of these lands. Thomas Jefferson was chairman of the committee charged with the task of bringing "some order to the frenzied scramble among a welter of avaricious

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Associates, 1984); Rick Minor, Kathryn Anne Toepel and Stephen Dow Beckham, "An Overview of Investigations at 45SA11: Archeology in the Columbia River Gorge" (Eugene, Ore.: Heritage Research Associates, 1986); Rick Minor and Stephen Dow Beckham, "Historical Investigations of Early Railroad Developments at Bonneville, Oregon: 1855–1882" (Eugene, Ore.: Heritage Research Associates, 1987).

<sup>7</sup> Lewis Van Vleet and James Newsom, "Cadastral Survey Map, Township 2 North, Range 7 East, Washington Territory side;" and Lewis Van Vleet and James Newsom, "Cadastral Survey Map, Township 2 North, Range 7 East, Oregon side," on file at U.S. Bureau of Land Management Archives, Portland, Ore.

<sup>8</sup> For a general overview of the uses of Cadastral maps and surveys, see R. J. P. Kain and Elizabeth Baigent, *The Cadastral Map in the Service of the State: A History of Property Mapping* (Chicago: University of Chicago Press, 1992); For a discussion of the cadastral land survey in the United States, see Hildegard Binder Johnson, *Order Upon the Land: The U.S. Rectangular Land Survey and the Upper Mississippi Country* (New York: Oxford University Press, 1976); D. W. Meinig, *The Shaping of America: A Geographical Perspective on 500 Years of History*, vol. 1 (New Haven: Yale University Press, 1986); John Opie, *The Law of the Land: Two Hundred Years of American farmland Policy* (Lincoln, Nebraska: University of Nebraska Press, 1987); and Roy M. Robbins, *Our Landed Heritage: The Public Domain 1776–1936* (Lincoln, Nebraska: University of Nebraska Press, 1962).

interests, large and small, local, national and international, to reap some profit out of this vast national domain.”<sup>9</sup>

The system they eventually developed, written into the Land Ordinance of 1785, called for land to be first surveyed by a government surveyor; split into regular, rectilinear “townships,” six mile square units, split into 36 “lots,” individually numbered units one mile square, or 640 acres, which later came to be known as sections. Surveyors would reference each township to an arbitrary “meridian” and “base line” imaginary lines of longitude and latitude which the surveyors would name and include in plat books, large regional books of survey maps. For instance the sections of land at the Cascades primarily were located in Township 2 North, or the second 36 square mile township north of the Willamette Base line, in Range 7 East, or seven townships east of the Willamette Meridian. According to the Ordinance of 1785, after surveyors had completed their task for a given area, individual settlers could then purchase as many or as few of the sections as they desired, for a minimum of \$1.00 per acre.<sup>10</sup> Congress extended this system of public lands to the rest of the nation first theoretically in the constitution, and then in practice with a new law in 1796.<sup>11</sup> In addition to promoting individual land ownership on a small scale, the Ordinance had the happy effect of nominally bringing all the lands of the new nation under the official control of the federal government. That was how it was supposed to work

In practice, the U.S. surveys of the public domain were no where near as neat as the text of the Northwest Ordinance would suggest. Although the law preferred to have the federal surveyors map the land prior to sale, that was not always the case. When the Chenoweths went to the Cascades, not all of the landscape had been platted, that is, surveyed and registered on a large regional plat book by federal officials. Similarly,

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<sup>9</sup> D. W. Meinig, *The Shaping of America: A Geographical Perspective on 500 Years of History*, vol. 1 (New Haven: Yale University Press, 1986), p. 342.

<sup>10</sup> See “An Ordinance for ascertaining the mode of disposing of Lands in the Western Territory,” 20 May 1785, in John Clement Fitzpatrick, ed., *Journals of the Continental Congress, 1774–1789*, 34 vols., vol. XXVIII (Washington: U.S. Government Printing Office, 1904), p. 375.

<sup>11</sup> See United States Constitution, Article IV Section 3 and debate on western lands in *Annals of Congress*, 1st Cong., 2159–2160; and “An Act providing for the Sale of the lands of the United States, in the territory north-west of the river Ohio, and above the mouth of Kentucky river.” 18 May 1796. 1 Stat. 464

settlers rarely purchased land in whole sections, especially in a landscape like the Cascades. Hence the Chenoweths, and their neighbors, ended up with land claims that Thomas Jefferson would have considered less than rational.

The Chenoweths were followed by George Johnson and the Bradfords, Daniel and his wife Chloe who had all come from Massachusetts in the same emigrant train that year. Johnson filed for 320 acres at the Lower Cascades in sections 17, 20, 21, and 29, T2N, R7E, and the Bradfords filed for a full section at the Upper Cascades just east of the Chenoweths, in sections 2, 11, 14, and 15, T2N, R7E.<sup>12</sup> They filed for their claims at the Cascades on the same day, each acting as a witness for the other.

This group soon became the nucleus of a commercial community along the river that aided, and profited from, the westward moving influx of emigrants and the eastbound movement of government freight. The Bradfords, along with Daniel's brother Putnam, opened a general store at the Upper landing, and Thomas and Ellen McNatt ran a crude hotel on the eastern end of the Bradford claim.<sup>13</sup> At the Middle Cascades, the Palmer brothers ran a store and saloon (see fig. 3) in section 11, T2N, R7E.<sup>14</sup> And at the Lower Cascades George Johnson and the Chenoweths ran a small store advertising "Ready Made Clothing, Hardware, Crockery, Groceries, Provisions, and all other articles usually called for by whites and Indians."<sup>15</sup> The stores and boarding houses along the river aided emigrants as they passed through the Columbia gorge by selling meat, butter, and vegetables. The Chenoweths even boarded emigrant stock in their field, one of the only level bottomlands along the Cascades. At the end of the emigrant season, when the last few trains came down the river often bereft of provisions, Cascade merchants even

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<sup>12</sup> Lewis Van Vleet and James Newsom, "Cadastral Survey Map, Township 2 North, Range 7 East, Washington Territory side," on file at U.S. Bureau of Land Management Archives, Portland, Oregon, Portland; Seattle Genealogical Society, *Washington Territory Donation Land Claims: an abstract of information in the land claim papers of persons who settled in Washington Territory before 1856* (Seattle: Seattle Genealogical Society, 1980), pp. 39, 173.

<sup>13</sup> Hubert Howe Bancroft, *History of Washington, Idaho and Montana, 1845-1849* (San Francisco: The History Company, 1890), p. 38; George H. Derby, "Report on the proposed military road from The Dalles of the Columbia to Columbia Barracks." Report to Hartman Bache. Letters Received, RG 77: Records of the Chief of Engineers, National Archives, Washington, D.C.

<sup>14</sup> Elwood Evans, *History of the Pacific Northwest: Oregon and Washington*, 2 vols., vol. 1 (Portland: North Pacific History Company, 1889), p. 603.

<sup>15</sup> Oregon *Spectator*, 29 August 1850.

provided the distressed emigrants with charity. “Humanity compels me to address you,” Bradford wrote to the people of Portland in September 1852, “but something must be done for the sick and dying at [the Cascades]. We are but few in numbers here and our houses are filled with the sick. I have personally devoted my time and purse until I am worn down, and now say I must have help.”<sup>16</sup>

Emigrants themselves articulated this commercial landscape in their overland diaries and marked commercial centers such as the Cascades as safely American domains along the Oregon trail. Overland diaries are filled with assessments and judgments of the passing landscape. George Belshaw, who came to Oregon in 1853 noted in his diary that although “this cascades is a rough looking place potatoes sells at 5 cents per lb Beef 18 to 20 per lb Baker’s bread 20 cents a load young men’s wages from 50 to 60 dollars per month”<sup>17</sup> His wife, Maria Parsons Belshaw, had a different view: “Camped on the bank of the river. It is a pleasant place. There are 3 or 4 buildings here store bakery and Farm house and one not finished.”<sup>18</sup> The emigrants used these sites to make sense of their long journey. Diarists marked the trail itself as a monotonous and mundane landscape punctuated by sites of fear: dangerous Indians, threatening diseases, or trail side graves. American commercial zones such as the Cascades in the Oregon territory, the fur trading posts in the Rocky Mountains, or the provisions store at Scott’s Bluff in Nebraska became crucial landmarks in emigrant journals and diaries as psychologically safe zones in a landscape of travel that was all too alien.

### *Property Rights and the Early Development of River Transportation*

At the junction of land and water, Oregonians built the basis of an empire. The settlers at the Cascades also built a landscape of travel upon their commercial site. Cascade residents capitalized on the emigrants need to stop not just by selling them goods that they had depleted on their long journey, but also by offering to portage, ferry, and

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<sup>16</sup> Daniel Bradford to T.J. Dryer, printed in the *Morning Oregonian*, 2 October 1852.

<sup>17</sup> 18 September 1853, George Belshaw, “Journal from Indiana to Oregon, 1853,” HM 16756, Huntington Library, Pasadena, Calif.

<sup>18</sup> Joseph W. Ellison, ed., “Diary of Maria Parsons Belshaw, 1853,” *Oregon Historical Quarterly* 33 (1932): 328.

drive the emigrants' belongings over the rugged Cascade landscape. In the decade that followed, considerable business passed through the Cascades, and landowners met the demands of travelers and shippers by building transportation improvements as well as investing in steamship properties. By 1859, the year of statehood, a thriving steamship trade centering on Portland had grown but the portage lands had become a crucial obstacle to those interests in Portland wishing easier access to the interior.

As soon as the Chenoweths had filed their claim, the family began to build a portage tramway around the falls with the Bradfords and George Johnson. By October 1851, the associates had completed a wooden plank road along the riverbank from the Upper landing on the Bradford claim, to the Chenoweth claim in the south-west quarter of Section 16, T2N, R7E (see fig. 4).<sup>19</sup> In October 1852, emigrant Cecelia Adams described the road from the upper landing:

Here is a large warehouse and from it proceeds a railroad three miles long, made of scantling and plank without iron. On this runs a small car propelled by a mule attached to it by a long rope for an engine, and a pair of thills between which the engineer stations himself and walks and guides the car. On this the charge is 75 cents per 100 pounds but takes no passengers. At the end of the railroad the goods have to be let down perpendicularly some 150 feet to the river, from whence they are taken on a boat to the steamboat landing, about three miles more. Charge, 75 cents in all.<sup>20</sup>

For those emigrants who had the funds, the road was a boon. Even those who could not afford it benefited from its existence, the first instance of modern transportation after months of trekking over a crudely cut trail through the twisted Rocky Mountains.

The Cascade settlers did not confine their transportation "improvements" to a simple tramway. Upon completion of the road, Daniel Bradford entered into a partnership with a San Francisco capitalist named James P. Flint, and built a screw-driven (iron propeller) steamboat, the *James P. Flint*, to run from the Cascades to The Dalles.<sup>21</sup> Not long after, Chenoweth left the Cascades to begin a career in Territorial politics, and

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<sup>19</sup> Lewis Van Vleet and James Newsom, "Cadastral Survey Map, Township 2 North, Range 7 East, Washington Territory side," on file at U.S. Bureau of Land Management Archives, Portland, Ore.; See also Frank B. Gill, "Oregon's First Railway: The Oregon Portage Railroad at the Cascades of the Columbia River," *Oregon Historical Quarterly* 25, no. 3 (1924): 175.

<sup>20</sup> Cecelia Emily Adams, "Crossing the Plains in 1852," *Transactions of the thirty-second annual reunion of the Oregon Pioneer Association*, (1905): 308–09.

<sup>21</sup> *Oregon Spectator*, 5 June 1851.

Daniel Bradford along with his brother Putnam became the primary owners of the north bank portage road.<sup>22</sup> The *Flint* wrecked in 1852, so Flint and the Bradfords joined with Portland merchant Lawrence Coe and built the *Mary* to replace the *Flint* on the middle river.<sup>23</sup> In September 1853, the partners joined with steamboat captain J.O. Van Bergen and rebuilt the *Flint*, and ran it on the lower river calling it the *Fashion*. This represented the first through service to The Dalles.<sup>24</sup> The service did not last long as the *Fashion* continued to have problems, and the owners soon put it in for repairs.

In early 1855, the Bradfords and their partners contracted with Benjamin Stark, Simeon G. Reed, and Dick Williams, the owners of another lower-river steamboat the *Belle*, and created an exclusive through service between Portland and The Dalles.<sup>25</sup> The Bradford interests took the name of Bradford & Co. while Stark and his partners called themselves the Columbia River Steam Navigation Company (CRSN). The two parties remained distinct, opting for a traffic agreement instead of entering into a formalized corporation or partnership. The key to the service was the portage. Bradford & Co. agreed not to ship any freight along the tramway that did not reach the Cascades on the *Belle*, and the *Belle* would not ship any freight downriver that did not pass over the Bradford tramway. The operators charged \$30 per ton between Portland and The Dalles, with four points of transshipment. The Stark interests took freight from Portland to the lower landing on the *Belle*. Then, George Johnson transferred it to a wharf boat and run it to the landing at the Middle Cascades. The Bradfords then carried the freight along their

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<sup>22</sup> In 1853, Chenoweth left the Cascades and became the speaker of the Territorial legislature in February 1854, and eventually an associate justice on the Territorial Supreme court. When the family left, he sold his portion of the tramway to Bradford, and began to sell or lease his lands along the river. In 1854, Chenoweth rented the eastern portion of his claim to Charles Barclay; in 1855, he sold a small tract to Edward Sylvester. On 29 May 1860, they mortgaged their land to Granville O. Haller; and within a few months, the Chenoweths sold more of the eastern portion of the claim to C.J. Palmer, and authorized him to sell the rest. See Skamania County Auditors Office, *Mortgage and Deed Book. Volume A* (Stevenson, Washington: Skamania County Auditor's Office), pp. 2–3, 11–12, 34–36, 39–42. By 1860, the family had located on Whidbey Island. On 14 January 1862, Chenoweth granted Bradford a railroad right-of-way Skamania County Auditors Office, *Mortgage and Deed Book. Volume A* (Stevenson, Washington: Skamania County Auditor's Office); pp. 117–119 Finally, on 12 July 1865, the Chenoweths sold the rest of their claim to the Oregon Steam Navigation Company Skamania County Auditors Office, *Mortgage and Deed Book. Volume B* (Stevenson, Washington: Skamania County Auditor's Office), pp. 5–8.

<sup>23</sup> *Weekly Oregonian*, 6 January 1855; *Oregon Times*, 1 August 1856.

<sup>24</sup> *Oregon Spectator*, 16 September 1853

<sup>25</sup> *Weekly Oregonian*, 6 January 1855; *Oregon Times*, 1 August 1856.

portage road to the Upper landing, where finally, they loaded it on the *Mary* for shipment to The Dalles. The associates divided the receipts based upon the four different legs of the journey, allotting each leg along the route one-fourth of the receipts, or \$7.50 per ton.<sup>26</sup> Bradford & Co., which included, George Johnson, the Bradford brothers, and Lawrence Coe, took fully 3/4 of the receipts as they owned both portage sections, as well as the *Mary*. With no effective portage road or trail on the south bank, this association created the first monopoly along the river and eliminated the possibility of competitive freight beyond the Cascades. Until the arrival of Joseph Ruckel.

In 1855, Colonel J.S. Ruckel came to Oregon and settled at the Cascades. Ruckel was an ambitious entrepreneur who changed careers repeatedly. Consistently short on capital, he had more vision than success. Ruckel had emigrated to California in 1845, crossing the isthmus of Panama instead of traveling overland. In San Francisco, he owned a mercantile shop with a partner, Harrison Olmstead. After the initial flush of the Gold Rush he decided to migrate to Oregon to benefit from the growing trade between Portland and San Francisco. When Ruckel arrived he went to the Columbia River, assessed the situation at the Cascades, and settled between the upper and middle Cascades on the Oregon side of the river. Ruckel took roughly 40 acres in Section 22, T2N R7E at the mouth of what became known as Ruckel creek (see map 7).<sup>27</sup> He knew that his land along the Cascades would provide the basis for a competitive line to Bradford's business on the Washington side so he immediately constructed a boat landing at the upper Cascades and began to clear a rough portage trail from there to his settlement. His trail was crude at best and unserviceable at worst. He lacked the necessary capital to perfect an entire portage system so he turned to other local investors for help.

Ruckel found a willing partner in Captain J.O. Van Bergen, former Bradford associate and commander of the *Fashion*. Together Van Bergen and Ruckel purchased

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<sup>26</sup> John C. Ainsworth, "Reminiscences, 1892," MSS 504-1, Oregon Historical Society, Portland, Ore.

<sup>27</sup> Lewis Van Vleet and James Newsom, "Cadastral Survey Map, Township 2 North, Range 7 East, Oregon side," on file at U.S. Bureau of Land Management Archives, Portland, Ore.; and Lewis Van Vleet, "Field Notes, Township 2 North, Range 7 East," on file at U.S. Bureau of Land Management Archives, Portland, Ore.



the boat to run on the lower river.<sup>28</sup> In July 1855, they began making tri-weekly runs between Portland and the Cascades, but in 1857 business demanded that they replace the *Fashion* with the larger and more powerful *Mountain Buck*.<sup>29</sup> The two men brought in Captain McFarland, located upriver at The Dalles who was in the process of building the Steamboat *Wasco*. By August 1855 the *Wasco* was running on the middle river. The *Oregon Weekly Times* noted that the newly formed Oregon Transportation Line (OTL), as the partners styled themselves, would complete a portage road on the Oregon side within two weeks, and would offer exclusive through service from Portland all the way to The Dalles Portage.<sup>30</sup> Just after Ruckel and his partners began their overland portage service, they received additional help from a likely source. Oregon militia companies, on their way east to fight in the Yakima Indian wars, helped widen and clear the rough portage road on the south bank of the Columbia.<sup>31</sup> The OTL then joined with W.R. Kilborn at the lower Cascades to extend the portage road further west and built warehouses at the lower Cascades. By February 1856, the *Portland Weekly Oregonian* reported that “a new road around the portage of the Cascades on the Oregon side has been completed and goods are now being transported on this side with safety and dispatch.”<sup>32</sup>

The OTL steamships and wagon road portage soon gained the upper hand against Bradford & Co. along the Cascades. In early March, they secured federal subsidies and became the “agent of the Quartermaster’s Department at the Cascades,” transporting all military supplies necessary for the Yakima Indian wars up and down the river.<sup>33</sup> Less than a month after the OTL secured the government contract, Indians attacked the Cascades and destroyed the Bradford & Co. portage facilities: the warehouses, stores, and tramway.

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<sup>28</sup> *Weekly Oregonian*, 3 March 1855.

<sup>29</sup> *Oregon Weekly Times*, 21 July 1855; *Weekly Oregonian*, 1 August 1857.

<sup>30</sup> *Oregon Weekly Times*, 4 August 1855.

<sup>31</sup> Rick Minor and Stephen Dow Beckham, “Cultural Resource Overview and Investigations for the Bonneville Navigation Lock Project, Oregon and Washington” (Eugene, Ore.: Heritage Research Associates, 1984), p. 19.

<sup>32</sup> *Weekly Oregonian*, 9 February 1856.

<sup>33</sup> *Oregon Weekly Times*, 8 March 1856.

While the Bradfords rebuilt their facilities, the OTL used the government subsidy to undercut Bradford, charging some \$15 less per ton.<sup>34</sup>

After the Cascade uprising, the north bank interests quickly began to rebuild. Anticipating an increase in traffic from the Indian wars, Stark and his associates had already begun construction on the *Señorita*, a larger steamboat to replace the *Belle* on the lower river.<sup>35</sup> In the Fall, Bradford & Co. spent \$12,000 to rebuild the trestle along the base of the cliffs at the Middle Cascades for the tramway.<sup>36</sup> And in November, they built the *Hassaloe* to replace the smaller *Mary* on the middle river.<sup>37</sup> With a rebuilt portage road, newer, faster, and larger steamships, the North bank interests were in a position to dominate Columbia River trade.

Although the Ruckel road was longer—it ran from the upper landing to the Lower Cascades—the Oregon portage road was little more than a swath of ground that Ruckel and the Oregon militia had cleared along the Columbia. With the completion of the Bradford improvements and a new military portage road on the north bank, the dominance of the south bank interests quickly passed. By 1857, the OTL realized that a more permanent wooden tramway along the portage road was necessary. Ruckel needed ownership of, or access to, river-front land in order to complete the tramway, and his small claim in Sec. 22, T2N, R7E was not enough. Ruckel's old business partner from San Francisco, Harrison Olmstead, came to Oregon and settled just west of Ruckel's claim on a mile of river-front property from the mouth of Eagle Creek to beyond a rocky promontory known as "the Tooth" (see map 7).<sup>38</sup> Although Ruckel and Olmstead's claims covered the middle cascades, the river was effectively blocked by the lower and upper cascades as well. West of Olmstead's claim, John C. Tanner owned property all the way

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<sup>34</sup> George H. Derby to Hartman Bache, 19 May 1856, Letters Received, RG 77: Records of the Chief of Engineers, National Archives, Washington, D.C.

<sup>35</sup> *Oregon Weekly Times*, 12 April 1856.

<sup>36</sup> *Oregon Weekly Times* 27 September 1856; George H. Derby to Hartman Bache, 1 September 1856 Letters Received, RG 77: Records of the Chief of Engineers, National Archives, Washington, D.C.

<sup>37</sup> *Oregon Weekly Times*, 8 November 1856.

<sup>38</sup> Olmstead and Ruckel were merchants along with Richard Sherman, another San Francisco resident. See Joseph Ruckel Papers, 1847–1865. Oregon Historical Society, MSS 989. For the limits of Olmstead's claim, see Lewis Van Vleet and James Newsom, "Cadastral Survey Map, Township 2 North, Range 7 East, Oregon side," on file at U.S. Bureau of Land Management Archives, Portland, Ore.

to the lower landing, while John Chipman owned the property east of Ruckel's claim to the Upper Cascades.<sup>39</sup> Ruckel and Olmstead needed access to both these land claims to complete their road. The partners convinced Tanner to join them, but Chipman was less willing. Instead, the association entered into a lease with Chipman which granted them a right-of-way across his claim in Section 12, T2N, R7E for \$50 per year.<sup>40</sup>

The Bradfords feared that Ruckel and his associates would all but eliminate the traffic on the north bank, so the two sets of portage owners entered into a short-lived truce. Bradford and Co., who had the better road, agreed to divide the receipts from the portages if Ruckel would cease operation along the Oregon road.<sup>41</sup> For his part, Bradford offered to sever his agreement with the owners of the *Senorita* and ship only on the *Mountain Buck* below the Cascades if Ruckel agreed to abandon all plans for the Oregon portage and to withdraw the *Wasco* on the middle river. For a year, Ruckel's interests ran the *Mountain Buck* between Portland and Cascades, while Bradford and Co. had exclusive control of the middle river with the *Hassaloe*.

The agreement was short lived, however, and by August 1858 the south bank interests had resumed their plans for a more permanent portage railroad.<sup>42</sup> The members of the OTL alliance employed John W. Brazee, a civil engineer residing in Portland to survey and oversee construction of the road, and financed a small flume and sawmill on

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<sup>39</sup> "Historical Index, Township 2 North, Range 7 East, Oregon," on file at U.S. Bureau of Land Management Archives, Portland, Ore. The original land claimants on the Oregon side were military veterans who had filed absentee claims under 9 Stat. 125, "An Act to raise for a limited time an additional military force, and for other purposes," 11 February 1847. These Military Bounty Land Warrants provisions passed by Congress in 1847 allowed veterans to acquire warrants for up to 160 acres of public domain. At the Cascades three veterans had filed claims: Benjamin Jennings filed for a military patent of 150.80 acres in Sections 14 and 23, T2N, R7E. When his lands were patented, he assigned them immediately to Ruckel on 20 September 1861. The same day, David Haynes patented and assigned his claim of 140.39 acres in Sections 21 and 22 to Olmstead. Finally, Andrew Johnson, a veteran of the California Indian wars obtained 151.17 acres in sections 28 and 29, and he immediately deeded the land to Tanner. For more on the military bounty land warrant provisions, see James W. Oberly, *Sixty Million Acres: American Veterans and the Public Lands before the Civil War* (Kent, Ohio: The Kent State University Press, 1990).

<sup>40</sup> Indenture between John Chipman and J.S. Ruckel and H. Olmstead, 29 August 1857, *Wasco County Land Records, Book A* (Wasco County, Ore.: Wasco County Land Records), p. 150.

<sup>41</sup> *Weekly Oregonian*, 21 November 1857.

<sup>42</sup> *Weekly Oregonian*, 28 August 1858, 2 October 1858. Newspapers and historians have since referred to the Ruckel portage road as a railroad—the rails consisted of Douglas fir and draught horses provided the motive power.

Olmstead's settlement at Eagle Creek and (see fig. 5). Brazee designed trestles made of six by six fir rails for much of the line to overcome the steep banks, instead of cutting into the side of the Gorge or building an embankment upon which to run the road.<sup>43</sup> By 1859, horse and mule drawn carts carried freight and even passengers over the rough portage lands that only a year before a wagon could barely cross.

Ruckel's constant shortage of capital was exacerbated by the geography of the river. The OTL decision to build trestles instead of filling in an embankment or blasting into the rock wall along the river led to constant repair work. The biggest threat to the Oregon portage was the perennial spring freshets. As spring rains and snow melt flowed down the Columbia from the interior and the Cascade Mountains, the river would swell to dangerous volumes, rushing over the banks, carrying detritus from the interior. Naval Lieutenant Charles Wilkes, who visited the region in 1841, described the annual floods as "I witnessed the Columbia at its greatest and least heights, and no idea can be formed of it unless seen at both these epochs. The flood is a very grand sight from the banks of the river at Vancouver, as it passes swiftly by, bearing along the gigantic forest trees, whose immense trunks appear as mere chips ... undermining large trees on the banks, and occasional strips of soil."<sup>44</sup> In June 1859, the water level at the Cascades rose to flood levels. The *Portland Advertiser* reported that the flood waters "swept off about 300 feet of Ruckel and Olmstead's Rail Road near the upper warehouse and all of the bridge around the Big Tooth near the Lower Landing."<sup>45</sup> The paper estimated damages at roughly \$10,000, but Ruckel intended to rebuild immediately.

As the leading force in the Oregon Transportation Line, Ruckel had to find capital to keep the portage running. In November, Ruckel went to Olmstead and made an indenture of his river lands in Sections 14 and 23, T2N, R7E. By 1861, Ruckel had all but reached bankruptcy, and when his title to the riverfront property matured on January 5, he

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<sup>43</sup> Frank B. Gill, "Oregon's First Railway: The Oregon Portage Railroad at the Cascades of the Columbia River," *Oregon Historical Quarterly* 25, no. 3 (1924): 187.

<sup>44</sup> Charles Wilkes, *Narrative of the United States Exploring Expedition During the Years 1838, 1839, 1840, 1841, 1842*, 5 vols., vol. 4 (Philadelphia: Lea and Blanchard, 1845), p. 337.

<sup>45</sup> *Portland Advertiser*, 14 June 1859.

immediately deeded the lands to Olmstead.<sup>46</sup> The day before Ruckel deeded his property to Olmstead, however, he took out a \$12,000 mortgage on it at the bank of Ladd and Tilton to pay for improvements to the portage.<sup>47</sup> William S. Ladd and Charles Tilton had been schoolmates in Vermont before they emigrated to the Far West. Ladd came to Portland where he operated a grocery store and sold liquor, and Tilton had gone to San Francisco where he sold goods on consignment.<sup>48</sup> In 1859, the two pooled their capital, some \$50,000, and opened a bank in Portland which became the financial center of the growing community. Within a few years, they had over \$1,000,000 in capital. Although the two men would ultimately become intimately linked with the transportation empire on the Columbia, but their first connection, a tentative one, came with Ruckel. By 1865, he owed the bank \$80,467 in coin.<sup>49</sup>

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At the end of the 1850s, federal surveyors came to the Pacific Northwest to incorporate the region's landscape into the government's grid patterned landscape established by the Northwest Ordinances, created by the federal government some 85 years prior. The legislation carved up the landscape into rational square mile sections of 640 acres a piece. The acts and the resulting federal land offices and cadastral land surveys encouraged small single-family agriculturalists to seek individual ownership of the North American continent. The Oregon Donation Land Claim act further strengthened that ideological goal by offering entire sections of the Oregon Territory free to emigrant families who arrived before 1850, and half sections to emigrants who came after 1850. When General Land Office Surveyor Lewis Van Vleet arrived at the Cascades in 1859 to survey the land along the river, his goal was to accomplish the general tasks set out by the ordinances. But when he arrived at the Cascades, he immediately noticed the lack of

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<sup>46</sup> Frank B. Gill, "Oregon's First Railway: The Oregon Portage Railroad at the Cascades of the Columbia River," *Oregon Historical Quarterly* 25, no. 3 (1924): 188–89

<sup>47</sup> "Mortgage, 4 January 1861, Oregon Transportation Line with Ladd and Tilton Bank." Joseph Ruckel Papers, 1847–1865. Oregon Historical Society, MSS 989.

<sup>48</sup> Elwood Evans, *History of the Pacific Northwest: Oregon and Washington*, 2 vols. (Portland: North Pacific History Company, 1889), p. 417–418.

<sup>49</sup> "Col. J.S. Ruckel in account with Ladd and Tilton, 1865." Joseph Ruckel Papers, 1847–1865. Oregon Historical Society, MSS 989.

arable land along the river with notable disappointment. “The Uplands of the S.W. part of this township are high and mountainous,” he wrote in his survey notes “and not susceptible to cultivation. Along the River it is hilly and broken.”<sup>50</sup>

While Van Vleet was interested in the agricultural possibilities of the Cascades, the actual claims along the portage tell a different story. Claimants such as Ruckel, Olmstead, Tanner, and the Bradfords illustrate the wide variety of commercial possibilities that free land provided newly arrived settlers. Most historians have focused on the agricultural intent of Oregon donation land claims to argue that claims closely paralleled the agricultural productivity of the Northwest.<sup>51</sup> Agricultural production was but one strategy in a host of other land-based speculative schemes. The land claims along the Cascades of the Columbia were part of a different paper landscape that settlers, entrepreneurs, and the federal government created to integrate the resources and markets of the Pacific Northwest into the rest of the American political and economic body. The settlers along the Cascades were not there to farm, but to take advantage of the commercial possibilities made evident by the obstructions of the river.

### **Incorporating the Columbia: Early Attempts at Monopoly**

The era of scattered ownership of Columbia transportation lasted only a short while. While the north and south bank interests fought for control of the Columbia, a different group of entrepreneurs had already established themselves along the Willamette River. Most of the early Oregon emigrants had settled in the Willamette valley. By the time the settlers at the Cascades began to lay claim to the land, the Willamette settlers had developed a thriving wheat trade with the California market and beyond, and a group of keen transportation men looked to the Columbia as the next field of investment. Those who met with success in the Willamette trade looked with awe at the wide Columbia plain,

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<sup>50</sup> Lewis Van Vleet, “Field Notes, Township 2 North, Range 7 East,” on file at U.S. Bureau of Land Management Archives, Portland, Ore., pp. 21–22.

<sup>51</sup> For a discussion of settlement patterns in Oregon see William A. Bowen, *The Willamette Valley: Migration and Settlement on the Oregon Frontier* (Seattle: University of Washington Press, 1978); and Peter Boag, *Environment and Experience: Settlement Culture in Nineteenth-Century Oregon* (Berkeley: University of California Press, 1992).

hoping that it too might someday be the home to thousands of Oregon farmers. But in their way stood the Cascades portages and their owners.

The earliest and most established settlements in Oregon were along the fertile bottom lands of the Willamette whose valley provided wheat and other agricultural produce for the hungry California markets. Steamships carried most of that freight down the river to its confluence with the Columbia, and then on to Astoria at the Columbia's mouth. A number of small would-be entrepôts grew up near the falls of the Willamette, the first major obstruction in the river, to capitalize on the produce sent from the valley south to California. In 1850 San Francisco entrepreneur Berryman Jennings entered into contract with Milwaukee residents Lot Whitcomb and S.S. White to capitalize on the Oregon to San Francisco trade. Milwaukee was but one of the small settlements at the falls of the Willamette that pioneers founded to take advantage of the travel of produce to California markets. The partners hired a New England merchant turned Mississippi riverboat captain J.C. Ainsworth for \$300 per month to pilot their side-wheel steamship, the *Lot Whitcomb*. Financial difficulties forced the associates to take Ainsworth in as a partner a year later, and within four years the owners sold the boat for a handsome profit. Ainsworth invested his share in a new steamer, the stern-wheeler *Jennie Clark*, which he ran for another four-year tenure and then promptly sold. With an eye on the growing settlements in the interior, Ainsworth obtained financial backing in 1858 from Portland merchant George Abernethy and then-merchant William S. Ladd to build the *Carrie Ladd*, named after the banker's daughter.<sup>52</sup> Ainsworth intended to run the boat on the Columbia.

By all accounts the *Carrie Ladd* was the biggest, most powerful, and most "modern" steamboat in the Northwest. In later years Ainsworth called the it "the finest boat that had thus far been built."<sup>53</sup> Hyperbole aside, it was powerful enough to ascend beyond the lower Cascades to the middle landing, a task that no other steamer in the region could accomplish. Ainsworth took advantage of his boat's capabilities and offered

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<sup>52</sup> John C. Ainsworth, "Reminiscences, 1892," MSS 504-1, Oregon Historical Society, Portland, Ore.; *Weekly Oregonian*, 5 March 1859.

<sup>53</sup> John C. Ainsworth, "Reminiscences, 1892," MSS 504-1, Oregon Historical Society, Portland, Ore.

to join with Benjamin Stark and Simeon Reed to help CRSN increase its share in their agreement with Bradford & Co. in their north bank operation. Stark and his associates agreed and the *Carrie Ladd* began running freight from Portland to the middle Cascades, thus eliminating one of the Bradford & Co. controlled leg of the Portland-Dalles journey. By April 1859 the CRSN with Ainsworth's boat was taking one-half of the receipts.<sup>54</sup> Bradford & Co. accepted the new arrangement primarily because the *Carrie Ladd* was in fact a superior boat that could haul large amounts of freight quickly.

On the south bank, Ruckel and Olmstead quickly comprehended what Ainsworth described as the "crushing effect of my boat," and asked for a combination for the steamboat interests along the river.<sup>55</sup> Ruckel feared that the north bank associates simply had a more efficient system on the river. The Bradford portage was better built and less susceptible to damage from spring flooding than Ruckel's and the *Carrie Ladd* could haul more freight than the *Mountain Buck*. Ruckel and Olmstead presented the others with a proposal for organization. The south bank owners would withdraw their boats and close their portage to all traffic in exchange for a quarter share of the middle river receipts and a 5/12 share of the profits from the portage traffic.<sup>56</sup> The Bradfords, Ainsworth, and Stark and his partners all agreed and in April 1859, the men formed the loosely associated Union Transportation Company (UTC), using the *Carrie Ladd* below the Cascades and the Bradford's *Hassaloe* on the middle River.<sup>57</sup> The agreement was one of exclusivity: Bradford & Co. agreed not to transport any freight across the portages that did not come from UTC boats, and the boats would not transport any freight on the river that did not pass over the Bradford & Co. portage. Finally, Ruckel agreed simply not to haul any freight at all unless one of the association's boats required it.

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<sup>54</sup> See "Agreement between John C. Ainsworth and J.S. Ruckel," 19 April 1859, in John C. Ainsworth Collection. Box 5, folder 3. Special Collections Library, University of Oregon. See also John C. Ainsworth, "Reminiscences, 1892," MSS 504-1, Oregon Historical Society, Portland, Ore.

<sup>55</sup> John C. Ainsworth, "Reminiscences, 1892," MSS 504-1, Oregon Historical Society, Portland, Ore.

<sup>56</sup> "Agreement between the Columbia River Steam Navigation Company, the Oregon Transportation Line, and Bradford & Co.," 30 April 1859, in John C. Ainsworth Collection. Box 5, folder 3. Special Collections Library, University of Oregon.

<sup>57</sup> "Agreement between the Columbia River Steam Navigation Company, the Oregon Transportation Line, and Bradford & Co." 30 April 1859, in John C. Ainsworth Collection. Box 5, folder 3. Special Collections Library, University of Oregon. See also *Weekly Oregonian*, 23 April 1859, 4 February 1860.



The loose association of the Union Transportation Company was but an agreement between individual property owners to work together. It failed to bind each member together in any concrete manner because each individual was personally invested in property that was simultaneously integral and tangential to the other members interests. This became apparent when Bradford became interested in the steamer *Julia*, owned primarily by San Francisco capitalists. The other owners of the *Julia* wished to run the ship in the Columbia River trade, and Bradford failed to stop the San Franciscans from executing their plan. The other members of the UTC association grew wary of the possible dangers the *Julia* presented, so they negotiated with the boat's owners and agreed to pay \$600 per month just to keep the *Julia* from running on the Columbia.<sup>58</sup> It was clear that the possibility of UTC profits was not a strong enough inducement for all the association's members to act in concert. Ainsworth wrote that he could "see and feel the difficulty of the conflicting ownership and interest of steamers and portages." The primary cause of the difficulty in his mind was inability of the various parties to "fraternize or have any interest in common."<sup>59</sup> The UTC association did not legally bind the members from instigating further competition along the Columbia. More importantly, it failed to eliminate the fundamental cause of competition along the river: private property itself.

### *Creating the OSN and the Portage Problem*

What was needed was a stronger social and legal bond between the owners. If disparate property ownership had kept the different interests apart, then a new form of ownership could bring them together. In May 1860, Ainsworth convinced the disparate interests involved in the UTC along the lower and middle river to eliminate individualized private ownership of transportation property and incorporate as a private company. Incorporating the strongest steamboats operating on the Columbia would definitely have its advantages. Most important to Ainsworth, and the rest of the owners

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<sup>58</sup> Agreement between the owners of the *Julia* and the Union Transportation Line," 19 April 1859, in John C. Ainsworth Collection. Box 5, folder 3. Special Collections Library, University of Oregon.

<sup>59</sup> John C. Ainsworth, "Reminiscences, 1892," MSS 504-1, Oregon Historical Society, Portland, Ore.

would be the near control they would gain over the river. By incorporating the boats of the portage owners, the rest hoped that they could bind their interests together in opposition to any competition on the river. Unfortunately, the portage owners themselves battled for control of the new corporation's trade. Ultimately the only way to close the river was to incorporate all the property essential to the line, including the portages.

To strengthen their position along the Columbia River, the associates brought in the San Francisco owners of the *Julia*, as well as R.R. Thompson and Lawrence Coe, partners who owned wharf boats, sailboats, and a steamship on the upper river as well as the government contracts for military and Indian agency freight on the upper river. The entrepreneurs also obtained a legislative charter created by a special act of the Washington Territorial legislature to create into a new legal body, the Oregon Steam Navigation Company (OSN), incorporated at Vancouver in December 1860.<sup>60</sup>

The OSN was in every way the epitome of what business historian Alfred D. Chandler, Jr. describes as entrepreneurial capitalism.<sup>61</sup> The various interests spent tense weeks negotiating but eventually agreed on valuations of each steamboat along the entire river, and allotted themselves OSN stock based upon their ownership of the valued properties.<sup>62</sup> Each individual stockholders voted for five representatives on a board of directors. The board made company policy, set freight rates, and ran the company on a daily operating basis. In addition to enjoying a monetary interest in the various steamships along the lower, middle, and upper river, the men of the board managed the company. The new corporation effectively eliminated the tangled ties that private ownership of individual boats had produced along the river, and replaced it with corporate ownership of all the steamships and wharf boats, giving each party a stake in the operation of all the properties.

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<sup>60</sup> On Coe and Thompson see Dorothy O. Johansen, "Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company" (Ph.D. Thesis, University of Washington, 1941), pp. 64–65; Thomas C. Elliot, "The Dalles-Celilo Portage: Its History and Influence," *Oregon Historical Quarterly* 16, no. 2 (1915): 22.

<sup>61</sup> Alfred D. Chandler, Jr., *The Visible Hand: The Managerial Revolution in American Business* (Cambridge, Mass.: The Belknap Press of Harvard University Press, 1977), p. 9.

<sup>62</sup> For a complete listing of individual stock allotment, see "Oregon Steam Navigation Company Notebook, 1860," in Simeon G. Reed Collection. Special Collections, Reed College.

The OSN stockholders failed, however, to convince the portage owners to incorporate their portage facilities as property in the new corporation. The Bradfords, Ruckel, and Olmstead were willing to part with individual ownership of their steamboat interests, but they refused to incorporate their portage property into the new combination and give up the profits based on their land claims. Instead, they used their titles to riverfront property as leverage to exact a toll from the rest of the OSN stockholders.

On top of the physical landscape that confined the waters of the river to the rocky bluffs of the shore, the portage owners constructed a legal landscape that confined the river's traffic to their portage lands. The OSN shareholders—former steamboat owners and portage owners alike—all assumed that only a strict monopoly on the river would insure steady profits and that the portages could provide an effective gate to opposition. Therefore the portage owners entered into a formal agreement with the OSN that excluded all competitive traffic from shipping freight along either portage at the Cascades. The Bradford brothers on the north bank and Olmstead and Ruckel on the south bank agreed “that they will not transport freight ... over said roads for any other person or persons” other than the OSN.<sup>63</sup> In return the new corporation agreed to pay the portage owners one-fourth of all traffic receipts taken from the Portland-Dalles route, and to give them exclusive rights to portaging company freight along the Cascades. With this agreement, the OSN nearly privatized the Columbia River and made a common highway their own personal transportation line. But the leading figures in the OSN knew their task was incomplete, for they understood that to control the river's traffic, they had to own its portages outright.

As soon as the OSN incorporated, the rivalry between the north and south bank portage owners began anew. The Bradfords carried all the OSN freight over their north bank road and received 7/12 of the profits. Flooding in 1859 had damaged much of the

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<sup>63</sup> “Agreement between Bradford & Co, H. Olmstead, and the Oregon Steam Navigation Company,” May 1860. Joseph Ruckel Papers, 1847–1865. Oregon Historical Society, MSS 989. The parties renewed this agreement in October 1860 after it became clear that the Washington Territorial legislature would incorporate the OSN by a special act. See “Agreement Between Bradford & Co., H. Olmstead and the Oregon Steam Navigation Company, 2 October 1860,” Appendix V in Dorothy O. Johansen, “Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company” (Ph.D. Thesis, University of Washington, 1941), pp. 300–302.

south bank road, but Ruckel and Olmstead were still entitled to 5/12 of the receipts. By the early 1860s, the OSN began to service the increased demands from the many mining rushes in the goldfields of the interior and the new mining towns in eastern Oregon, Washington Territory, and what became the Idaho Territory. The first was the Clearwater country in the Summer of 1860; late 1861 saw a rush to the South Fork of the Snake which gave rise to Elk City; the Lower Salmon River in early 1862 produced the settlements of Florence and Warren; also in 1862 miners poured into the Boise River basin—Idaho City, the Powder River and John Day basins—Canyon City, the Owyhee district—Silver City, and Alder Creek—Virginia City (see map 5).<sup>64</sup> Ruckel and Olmstead, anticipating that the new company would soon need their facilities, began another round of repairs and improvements to their road. The two partners covered the rails of their tramway with strap iron which allowed for heavier trains and an easier portage. They quickly notified the OSN board of their proposed improvements.<sup>65</sup> By May, the Oregon portage repairs were complete, and the OSN decided to abandon the north bank and began shipping all its freight along the Oregon portage.<sup>66</sup> But due to the agreement with the portage owners, the Bradfords still received their 7/12 share of the profits even though no freight passed over their road.

The Bradfords might not have initiated the next round of strategic building had geography not intervened. The spring of 1861 was warm and wet, and the Columbia was running one to two feet higher than the previous year.<sup>67</sup> The water was not so high as to make the trestles of the Oregon portage road impassable, as had been the case in 1859,

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<sup>64</sup> See Donald W. Meinig, *The Great Columbia Plain: A Historical Geography, 1805–1910* (Seattle: University of Washington Press, 1968), pp. 208–214; Carlos Schwantes, *The Pacific Northwest: An Interpretive History, Revised and Enlarged Edition* (Lincoln, Nebraska: University of Nebraska Press, 1996), pp. 128–133; Carlos Schwantes, *Long Day's Journey: The Steamboat and Stagecoach Era in the Northern West* (Seattle, Wash.: University of Washington Press, 1999), p. 126; and Dorothy O. Johansen, "Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company" (Ph.D. Thesis, University of Washington, 1941), pp. 78–79.

<sup>65</sup> "Oregon Steam Navigation Company Minute Book," 3 January 1861, in Oregon Steam Navigation Company Papers. Special Collections, Reed College.

<sup>66</sup> *Pacific Christian Advocate*, 11 May 1861; *Oregonian*, 28 May 1861.

<sup>67</sup> Daniel Bradford to L.W. Coe, 23 April 1861, quoted in Frank B. Gill, "Oregon's First Railway: The Oregon Portage Railroad at the Cascades of the Columbia River," *Oregon Historical Quarterly* 25, no. 3 (1924): 194.

but it was high enough that the boats could not reach the middle landing. Instead, OSN boats had to dock at the lower end of Ruckel and Olmstead's road, unload their cargo, and ship their freight the entire length of the Oregon portage.<sup>68</sup> The agreement that Ruckel and Olmstead made with the Bradfords and the OSN explicitly stated that "the improvements and road below said Ruckel's house and the lower terminus of said road ... shall not be embraced in or any way affected by this agreement, but the right to and the use of the same shall remain as though this agreement had not been made."<sup>69</sup> As a result, Ruckel and Olmstead were able to charge the OSN in excess of the quarter share that the original agreement allowed. That excess profit was also not covered in the traffic agreement between the Bradfords and Ruckel and Olmstead, thus the Oregon portage owners did not have to split these extra receipts with the Bradfords.<sup>70</sup> The situation at the Cascades was intolerable to the north bank owners and the Bradfords began perfecting their title to a permanent steam-powered railroad on the Washington side.

Daniel Bradford's property rights at the Cascades extended beyond his donation claim. In 1859, the Washington Territorial legislature bestowed a charter for the Cascade Railroad Company, upon Bradford, B.B. Bishop, and George Murray (who later became the secretary of the OSN).<sup>71</sup> The legislative charter empowered the owners to incorporate a company and issue stock for the construction of a portage railroad at the Cascades. The charter required the owners to build and operate a horse or mule-drawn iron-railed, iron-strapped, or wooden tramway, within two years of the incorporation of the road, and a steam-powered, iron-railed railroad in operation within five years of the company's

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<sup>68</sup> Daniel Bradford to Captain John Wolfe, 4 May 1861, quoted in Frank B. Gill, "Oregon's First Railway: The Oregon Portage Railroad at the Cascades of the Columbia River," *Oregon Historical Quarterly* 25, no. 3 (1924): 195.

<sup>69</sup> "Agreement Between Bradford & Co., H. Olmstead and the Oregon Steam Navigation Company, 2 October 1860," Appendix V in Dorothy O. Johansen, "Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company" (Ph.D. Thesis, University of Washington, 1941), p. 301.

<sup>70</sup> See Frank B. Gill, "Oregon's First Railway: The Oregon Portage Railroad at the Cascades of the Columbia River," *Oregon Historical Quarterly* 25, no. 3 (1924): 174–325; and Dorothy O. Johansen, "Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company" (Ph.D. Thesis, University of Washington, 1941), pp. 100, 104.

<sup>71</sup> See "An act entitled an act to incorporate the 'Cascade Railroad Company,'" 1 January 1859, in Territory of Washington, *Acts of the Legislative Assembly of the Territory of Washington: Passed at the Sixth Regular Session, begun and held at Olympia; December 6th, A.D. 1858* (Olympia: Edward Furste, Public Printer, 1859), p. 37–39.

incorporation. The first stipulation proved to be no obstacle as Bradford already owned and operated a tramway that met the charter's qualifications. As a result, he became the primary stockholder in the company, Bishop and Murray being nominal directors.

Although Bradford owned all the land from the middle to the upper Cascades that the railroad required, the Cascade Railroad Company as a corporate entity held no property; as a railroad it was a paper fiction that existed in name only. Bradford needed to legally secure the portage lands under the special territorial charter which required the incorporators to run a survey along their proposed route and submit the notes to the Territorial government. The Territory would then grant the corporation any public land identified in the survey and facilitate condemnation proceedings of private land.<sup>72</sup> By October, 1861, Bradford was surveying the tramway route in order to officially transfer the right of way along his donation claim to the Cascade Railroad Company.<sup>73</sup>

#### *Fraternal Corporate Culture, Emerging Alliances, and Winning the Portages*

The split inside the OSN was not just a manifestation of strategic maneuvers bent on capturing greater profits. The members of the OSN board were businessmen to be sure, and profit was an essential part of their ideology. But there were different ways to make a profit in the mid-nineteenth-century, and corporations like the OSN were new entities. Their meaning, their role in society, as well as the way they did business was hotly contested. The political machinations within the board demonstrate that the OSN board members had different ideas about what a corporation was and the role of the entrepreneur in overseeing its practices. Ainsworth in particular, held that the OSN more than just an economic engine, it was a social institution that brought together like minded men. The parallels between the OSN board of directors meetings and the fraternal orders of the late nineteenth century are striking. Others did not share Ainsworth's

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<sup>72</sup> "An act entitled an act to incorporate the 'Cascade Railroad Company,'" 1 January 1859, in Territory of Washington, *Acts of the Legislative Assembly of the Territory of Washington: Passed at the Sixth Regular Session, begun and held at Olympia; December 6th, A.D. 1858* (Olympia: Edward Furste, Public Printer, 1859), p. 37–39.

<sup>73</sup> *Pacific Christian Advocate*, 12 October 1861. Because Daniel Bradford and his brother Putnam were the sole owners of the tramway and the property upon which it ran, they became the sole owners of Cascade Railroad Company stock upon the transfer of their old portage to the company.

vision. There were different “corporate cultures” at odds with each other, and part of the tension among the OSN board stemmed from that.

The spring floods and the rising waters at the Cascades also spurred Ainsworth and Thompson, a newly formed alliance within the OSN board, into action regarding the portage properties. Well after Ainsworth retired from Oregon transportation he composed a memoir, supposedly for his children. Much of the manuscript details the inner workings of the early years of the OSN. In it, he writes that he and Thompson “could see that the O.S.N.Co. must control the portages or the portages must control and swallow up the company in other words the whole interest must be as one.”<sup>74</sup> Tired of the portage owners’ ability to leverage excess tolls on the Company, the two board members decided that the Company would have to purchase the property rights along the portages, or else forever be beholden to “outside interests.”

We cannot read Ainsworth’s actions simply as a quest for a larger share of the overall freight receipts along the Columbia, for there was a unique vision of the corporation behind his motivations. Profit models and economic justifications do not entirely explain the inner workings of the OSN board of directors. In a literal sense, the OSN was composed of shares of stock, each representing a fixed percentage of the company’s property, steamships, sailboats, wharf boats, docks, and warehouses. To Ainsworth and Thompson, however, ownership of a share meant membership in a social organization. The corporate body known as the Oregon Steam Navigation Company may have consisted of property but it moved, lived, and operated as an honorable bond among men of a certain social class. To be a shareholder of a corporation was to be united in a common cause. The original intent of organizing the OSN was to eliminate the personal rivalries that accompanied distinct ownership of private property and bind each member in a common goal, control of the river. To be a board member of the OSN was akin to being a member of a fraternal organization, and the board meetings were in a very real sense, the club meetings.

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<sup>74</sup> John C. Ainsworth, “Reminiscences, 1892,” MSS 504-1, Oregon Historical Society, Portland, Ore.

Ainsworth's belief in the corporation as fraternal order was complicated by the competing property rights at the Cascades. Ainsworth wrote that "rival and hostile parties" owned the portages at the Cascades, "yet both were interested in the OSN Co. and occupied seats on the board."<sup>75</sup> Daniel Bradford held 73 shares in the company and Olmstead 52 shares, but these valuations were based solely upon the steamship interests each individual owned before the men incorporated. The portage owners were not completely "invested" in the company because the portages, although essential to the success of the company, were not *owned* by the company. Ownership of competitive property kept the Bradfords, Ruckel, and Olmstead from being full members of the OSN. The rest of the OSN board regarded the portage owners as "outsiders," while men such as Ainsworth and Thompson, who owned no property that could be competitive with the OSN, were "insiders."

Ainsworth and Thompson used their vision of the corporation as a fraternal order to ally themselves with the rest of the board members and alienate the portage owners. Their goal was not to remove the portage owners from the board, quite the contrary it was to bring them further in by eliminating the divisiveness that resulted from ownership of competitive property. In a very real sense, the social bond between Ainsworth and Thompson, as represented by a lack of competitive property, was more lasting than between the those two and the portage owners, a situation which the Ainsworth and Thompson could not tolerate. Historian Dorothy Johansen likens the means by which Ainsworth and Thompson gained control of the portage lands to a chess match.<sup>76</sup> This analogy, however, assumes that the portage owners were aware of the strategic maneuvers of the rest of the OSN board, which they were not. Ainsworth and Thompson created a personal alliance with the rest of the board members who did not own competitive property and created a two tiered hierarchy within the board itself.

The actual meetings of the OSN board of directors were crucial spaces in the completion of the scheme. The meetings represented social occasions where board

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<sup>75</sup> John C. Ainsworth, "Reminiscences, 1892," MSS 504-1, Oregon Historical Society, Portland, Ore.

<sup>76</sup> Dorothy O. Johansen, "Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company" (Ph.D. Thesis, University of Washington, 1941), p. 102.



members met to discuss the current and future plans of the company. The alliance used the meetings to manipulate information about the daily operations of the company and the future plans of the OSN in an attempt to trick the portage owners into selling their property. Ainsworth and Thompson made the first step in December 1861 when they convinced the board to purchase the portage lands upriver at The Dalles-Celilo rapids for a steam-powered railroad (see maps 1 and 3). This purchase included both the south bank Dalles-Celilo Portage Road, owned by Thompson, as well as the legislative charter of The Dalles Portage Company, a paper road on the north bank created by the Washington Territorial legislature.<sup>77</sup> Under the guise of purchasing railroad iron for the 14 mile-long upriver portage, Ainsworth traveled to San Francisco. Unfortunately, he claimed, he could purchase no less than 20 miles, exactly the additional amount necessary to build Bradford's surveyed route on the north bank at the Cascades.<sup>78</sup> The board assented to the purchase of the full 20 miles, but Ruckel opposed. Although he refused to come in line with the rest of the board, he lacked the votes to kill the proposition. Angered and alienated by the decision of the board, he ceased attending meetings. This was a crucial decision on the part of Ruckel for he literally removed himself from a position of any power on the board, and his decision to segregate himself only facilitated the alliance's maneuvers.<sup>79</sup> Bradford, who usually opposed excess outlays of liquid capital because such expenditures decreased dividends, agreed with the rest of the board and voted for the purchase. Most likely, he hoped to purchase the additional six miles of iron for his Cascade Railroad Company, and build a better road thus obviating the necessity of the Ruckel road altogether.<sup>80</sup> The events that follow make it clear that Bradford played into the hands of the OSN "insiders," as Ainsworth and his associates intended to use the surplus six miles of rails to induce both Bradford and Ruckel to sell their portage lands.

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<sup>77</sup> "Oregon Steam Navigation Company Minute Book," 2 December 1861, 7 December 1861, in Oregon Steam Navigation Company Papers. Special Collections, Reed College. See also Territory of Washington, *Acts of the Legislative Assembly of the Territory of Washington; containing, also, the Memorials and Resolutions passed at the seventh regular session, begun and held at Olympia, December 5, 1859* (Olympia: Edward Furste, Public Printer, 1860), p. 418–420.

<sup>78</sup> John C. Ainsworth, "Reminiscences, 1892," MSS 504-1, Oregon Historical Society, Portland, Ore.

<sup>79</sup> John C. Ainsworth, "Reminiscences, 1892," MSS 504-1, Oregon Historical Society, Portland, Ore.

<sup>80</sup> John C. Ainsworth, "Reminiscences, 1892," MSS 504-1, Oregon Historical Society, Portland, Ore.

At the same time the “insiders” on the OSN board were scheming to purchase additional iron, Ainsworth used Ruckel’s removal from the space of the board meeting to smooth over their differences. Ainsworth convinced Ruckel outside of the board meetings (the rest of the “insiders” knew of Ainsworth’s actions though not Bradford) to purchase a steam locomotive for his strap iron railway on the south bank. The Ruckel road was already seriously indebted, and both its owners, Ruckel and Olmstead, owed Ladd and Tilton for the recent improvements on the road—Ruckel more so than Olmstead. How exactly Ainsworth convinced Ruckel to incur more debt is unknown, although the mysterious extra six miles of iron no doubt played a role. Ainsworth told Ruckel that Bradford was most likely going to purchase the iron for the north bank, which could only mean that Bradford intended to build a steam powered railway. The only way to win the portage battle, Ainsworth argued, was to out-spend the rival road. The Oregon portage was equipped to run a small engine, so why not make the purchase and eliminate Bradford altogether? Ainsworth maintained that the first portage owner to run a steam-powered railroad would eliminate the other and find themselves in total control of the portage profits. By February 1862, Ruckel was still boycotting the board meetings, but Ainsworth “succeeded in getting Col. Ruckel to arrange for the payment of the ‘Pony,’” a small steam locomotive from the Vulcan iron foundry in San Francisco.<sup>81</sup> Ruckel had borrowed \$4000 more from Ladd and Tilton, and the insiders were well on their way to securing the portage lands.

The arrival of the ‘Pony’ at the Cascades in May completely surprised Bradford.<sup>82</sup> Ainsworth intimated to Bradford that that Ruckel was going to purchase the additional six miles of iron and that the OSN might abandon the north bank altogether. The insiders took advantage of Bradford’s fears and offered to purchase the north bank portage tramway and the charter and survey for the Cascade Railroad Company. Bradford agreed, but argued that the two were separate entities. In order to keep his income from the

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<sup>81</sup> John C. Ainsworth to C.W. Stevens, 22 February 1862, quoted in Frank B. Gill, “Oregon’s First Railway: The Oregon Portage Railroad at the Cascades of the Columbia River,” *Oregon Historical Quarterly* 25, no. 3 (1924): 200.

<sup>82</sup> *Oregonian*, 3 April 1862, 3 May 1862, and 4 June 1862.

agreement he had with Ruckel, Bradford demanded that OSN delay the effective date of the sale for the wooden tramway—that portion of the portage covered in his agreement with Ruckel—until May 1865, the expiration date of the traffic contract with Ruckel. On May 17, the OSN paid Bradford \$28,000 for his interests on the north bank: \$8000 for the tramway, to be delivered in 1865, and \$20,000 for the paper control of the Cascade Railroad Company. The price may appear low, but we need to remember that Bradford was still going to collect 7/12 of the receipts from the portage traffic until 1865, an income which more than makes up for the small expenditure by the OSN. At the same board meeting, Reed motioned to move The Dalles construction gangs, who had been at work on the upriver portage railway since the iron arrived in March, to the north bank of the Cascades and immediately begin construction of the Cascade portage railway.<sup>83</sup>

Just as the arrival of the Pony had surprised Bradford, Ruckel was shocked to learn that OSN construction crews were at work on the north bank portage. He had assumed that Bradford had sold out altogether, and asked Ainsworth if the north bank owner was still entitled to his portage receipts.<sup>84</sup> Ainsworth, again working outside of the board meeting, replied with a proposition: yes, Bradford was still collecting receipts, as the tramway was not yet OSN property. But, Ruckel could rectify the situation and nullify the traffic agreement if he agreed to sell the Oregon portage to the OSN—a proposition which the insiders advocated but Bradford knew nothing about.<sup>85</sup> Ruckel went to his partner Olmstead, and the two consented to sell, realizing that as soon as the OSN completed their railway on the north bank, the Oregon side would be left with nothing but their debt. On 24 October, Olmstead asked the board if the OSN would be

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<sup>83</sup> “Oregon Steam Navigation Company Minute Book,” 19 May 1862, in Oregon Steam Navigation Company Papers. Special Collections, Reed College; *Oregonian*, 23 May 1862, 10 June 1862; *Oregon Weekly Times*, 31 May 1862. See also Simeon G. Reed, “Simeon Gannett Reed dictation and biographical materials, 1888,” in Hubert Howe Bancroft Papers, BANC MSS P-A 130, Bancroft Library of the University of California at Berkeley, Berkeley, Calif.

<sup>84</sup> See Daniel F. Bradford to John C. Ainsworth, 24 August 1862, quoted in Frank B. Gill, “Oregon’s First Railway: The Oregon Portage Railroad at the Cascades of the Columbia River,” *Oregon Historical Quarterly* 25, no. 3 (1924): 211.

<sup>85</sup> John C. Ainsworth, “Reminiscences, 1892,” MSS 504-1, Oregon Historical Society, Portland, Ore.

willing to purchase the Oregon portage, and the board agreed to negotiate.<sup>86</sup> Bradford initially opposed the purchase on the grounds that it would jeopardize his traffic agreement and therefore his income for the next three years. However, the board assured Bradford that purchasing the Oregon portage would not necessarily automatically void the traffic contract.<sup>87</sup> In order to further mollify Bradford, and to convince him of his status as an insider, the board even suggested Bradford should act as the company's negotiator. The insiders made it look as if they were including Bradford in their machinations, and Bradford eventually agreed with the rest of the board, believing that the traffic contract would still hold. He concluded the arrangements on 4 November 1862, whereby Ruckel and Olmstead officially incorporated the Oregon Cascade Railroad Company and the OSN purchased the lands and the articles of incorporation for the Oregon portage for \$155,000.<sup>88</sup>

During the year following the purchase, the OSN ran all freight across the Oregon portage, while simultaneously building a railroad on the north bank. The Oregon bank of the river was ill fit for a permanent railroad and the company was loathe to spend the money on the improvements necessary to protect the road from river freshets and land slides. Why should they blast, fill, and grade the rocky shores of the south bank when

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<sup>86</sup> "Oregon Steam Navigation Company Minute Book," 25 October 1862, in Oregon Steam Navigation Company Papers. Special Collections, Reed College.

<sup>87</sup> John C. Ainsworth, "Reminiscences, 1892," MSS 504-1, Oregon Historical Society, Portland, Ore.; see also Daniel F. Bradford to John C. Ainsworth, 6 February 1864, quoted in Frank B. Gill, "Oregon's First Railway: The Oregon Portage Railroad at the Cascades of the Columbia River," *Oregon Historical Quarterly* 25, no. 3 (1924): 215: "You will also remember that previous to the purchase made of Ruckel's side of the river you told me in reply to my question that whether this would affect my interest, that it would not."

<sup>88</sup> "Oregon Steam Navigation Company Minute Book," 4 November 1862, in Oregon Steam Navigation Company Papers. Special Collections, Reed College. For incorporation date of Oregon Cascade Railroad, see "Notes," H. Tyndale, in Henry Villard Business Papers, box 31, folder 259. Baker Library, Graduate School of Business Administration, Harvard University. Not long after the transaction, Olmstead notified Bradford that the purchase had nullified traffic agreement. Bradford asked Ainsworth about Olmstead's proclamation, but met only resistance from Ainsworth. A year later, when the OSN was completing its railroad along the north bank, Bradford served the company notice and demanded his share of the portage receipts. Finally, a year and a half after that, the OSN agreed to submit the matter to arbitration, whereupon Multnomah county judge E.D. Shattuck awarded Bradford \$21,862.50. See Frank B. Gill, "Oregon's First Railway: The Oregon Portage Railroad at the Cascades of the Columbia River," *Oregon Historical Quarterly* 25, no. 3 (1924): 214–217; and Dorothy O. Johansen, "Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company" (Ph.D. Thesis, University of Washington, 1941), pp. 106–108.

they owned a suitable right-of-way on the north bank? In April 1863, the north bank railroad was complete, so the company terminated all the employees at the Oregon portage, save one, and began running all freight across the Washington Territory side of the river (see fig. 6).<sup>89</sup> Although the company used the tramway to transport live stock (they even made a contract with a cattle driving outfit, charging a toll of 25 cents per head), the portage generally fell into disrepair (see fig. 7).<sup>90</sup> The costly south bank portage lands which the company spent so much energy and capital to acquire were worth more as a paper landscape—the legal property rights to the narrow strip of land—than as a functioning portage.

### *Ideologies of Liquid versus Fixed Capital*

The rift caused by the competitive properties at the portages was not healed by their incorporation into the company. The board meetings may have been more civil after the conflict was over, but a fundamental difference in corporate strategy emerged from the battle. Different board members had fundamentally different ideas about how to run a capital intensive business like the OSN, a split which intensified the already apparent rift within the directorate. The OSN board split along dual lines of the social role of the corporation as well as the economics of its business.

At issue was the strategic benefits and drawbacks of liquid versus fixed capital, terms which provide an ironic counterpart to the notion of property rights along river and rail. The conflict that ensued was more than a simple disagreement over OSN strategy. Rather, it was part of larger developments in American capitalism in the nineteenth-century: the OSN was caught in the throes of the shift from entrepreneurial to managerial capitalism.<sup>91</sup> The conflict was based upon a vision of the corporation as either a monetary investment—where ownership was measured in the market price of stock shares and the

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<sup>89</sup> John C. Ainsworth to Harrison Olmstead, 17 April 1863, quoted in Frank B. Gill, "Oregon's First Railway: The Oregon Portage Railroad at the Cascades of the Columbia River," *Oregon Historical Quarterly* 25, no. 3 (1924): 217; *Oregonian*, 21 April 1863.

<sup>90</sup> see Frank B. Gill, "Oregon's First Railway: The Oregon Portage Railroad at the Cascades of the Columbia River," *Oregon Historical Quarterly* 25, no. 3 (1924): 219.

<sup>91</sup> Alfred D. Chandler, Jr., *The Visible Hand: The Managerial Revolution in American Business* (Cambridge, Mass.: The Belknap Press of Harvard University Press, 1977), pp. 9–10, 170.

average monthly dividends—or an occupational investment—where ownership entailed both the daily management and long term strategies of the corporation. The more traditional entrepreneur gravitated toward the latter, whereas the newer investment-minded owner preferred to give over questions of operation and strategy to salaried managers, as long as the dividends remained high.

Ainsworth and Thompson, steamboat men firm in their belief of sound and seaworthy property, believed that significant expenditures would be required for the OSN to be a paying company, increasing fixed capital at the cost of liquid capital. They were willing make large expenditures to acquire opposition property, and forgo dividends, or at least diminish them in the face of opposition.<sup>92</sup> From January 1862 through April 1864, the years of the portage crisis, the construction of the north bank railroad, and early competition on the lower river, the company paid no dividends, and spent over \$760,000, nearly one-third of its capitalization, on opposition property and railroad construction.<sup>93</sup> Although the steamboat owners had incorporated their private property into the community of the corporation, they were unwilling to abandon the personal attachment to their property which they developed as boat owner-operators.

Both Bradford and Ruckel had never piloted steamboats, and came to transportation from the standpoint of an investment. They were opposed to the general strategy of large expenditures. Instead, they championed large dividends. Exasperated with the OSN's constant construction schedule, Bradford told Thompson "the fact is we are working for Glory as though we were to live for all time and not for money at the present time.... I say let the present owners and managers have an eye only to making dividends, by that I mean spend as little money as possible in improvements and as little as possible on repairs. Make dividends." Bradford wanted to use the strength of the OSN, its monopoly status, to manipulate the prices of individual shares of stock on the open

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<sup>92</sup> Johansen illustrates that the OSN preferred to meet opposition on the river by purchasing an opposition boats for less than cost after a rate war. See Dorothy O. Johansen, "Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company" (Ph.D. Thesis, University of Washington, 1941), pp. 109–120.

<sup>93</sup> See "Oregon Steam Navigation Company Minute Book," 19 May 1862, 4 November 1862, 2 November 1863, in Oregon Steam Navigation Company Papers. Special Collections, Reed College.

market. Spending capital on property acquisitions inhibited the OSN from manipulating the price of the stock because it kept the company from being able to make dividends freely. Bradford told Thompson

You and I, large owners, can go into market and sell stock much or little as we see fit when we shew [sic] our stock is in demand—let your property if necessity does not demand repair depreciate but make your dividends, being inside we know what is the value of the stock we sell [and] from time to time reduce our stock then perhaps opposition comes or great repairs are needed, dividends cease, the stock drops, you are on the inside, you know when to buy—you buy back your stock which you may have sold a short time before at 10, 20, or 30 pr ct less that you got for it.<sup>94</sup>

The differences between Ainsworth and Thompson on the one hand, and Bradford and Ruckel on the other represented more than just a battle for control of the company, they were the result of fundamentally different corporate ideologies that not even the social bonds of incorporated property could mask.<sup>95</sup>

The former portage owners appealed to the other investors, Reed and the Ladd brothers—William Sargent of Portland and John Wesley who lived in New York—to remove the steamboat men, from the board. During the November 1864 annual stockholders meeting, Bradford, Ruckel, W.S. Ladd, and Reed allied to eliminate Ainsworth from the Board and elected Ruckel as president and Reed as vice president.<sup>96</sup> Immediately, the board voted a four percent dividend, in addition to the one percent that the board had already issued at the beginning of the month.<sup>97</sup> But they did not have enough votes to completely eliminate the steamboat men, and Thompson remained a board member and company director. Ruckel's presidency was short lived, however, and plagued with difficulties. He left most of the management to Reed, and was generally

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<sup>94</sup> Daniel F. Bradford to R.R. Thompson, 9 May 1866, in Reed Letterbooks, vol. 1. Special Collections, Reed College.

<sup>95</sup> For the traditional narrative of the rivalries within the OSN board, see Frank B. Gill and Dorothy Johansen, "A Chapter in the History of the Oregon Steam Navigation Company: The Steamship *Oregonian*," *Oregon Historical Quarterly* 38, no. December (1937); and Dorothy O. Johansen, "Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company" (Ph.D. Thesis, University of Washington, 1941), pp. 145–46.

<sup>96</sup> "Oregon Steam Navigation Company Minute Book," 7 November 1864, in Oregon Steam Navigation Company Papers. Special Collections, Reed College. W.S. Ladd voted all the Ladd shares in the board meetings while J.W. Ladd resided in New York as a financier for the Ladd and Tilton Bank.

<sup>97</sup> J.W. Ladd to Simeon G. Reed, 2 February 1865, in Reed Letterbooks, vol. 1. Special Collections, Reed College.

unavailable as a director. By spring of the following year, Reed began corresponding with Ainsworth to help him in managing the company.<sup>98</sup> With Ainsworth as a mentor, Reed abandoned the ideology of the investment group and began to change his corporate philosophy from that of an investor to one of a long-term manager.

In August 1865, W.S. Ladd and Reed allied themselves with Thompson and forced Ruckel to resign. Reed wrote to J.W. Ladd in New York to explain why he and William had turned against the Bradford-Ruckel alliance. Although J.W. Ladd expressed his surprise at the change, he told Reed that “you and William are on the spot, know all the ‘ins and outs.’”<sup>99</sup> Reed and William Ladd’s proximity to the conflict, John Wesley Ladd argued, had given them superior knowledge about the corporation and influenced their decision. Reed became president until the next annual meeting in November, at which point Thompson, Ladd, and Reed allied with Ainsworth to elect Ainsworth, the former Mississippi boat captain, to the presidency once again, a position that he occupied for the rest of the life of the corporation.<sup>100</sup>

### **Drawing the Boundaries: Monopolizing a Monopoly**

The new alliance realized that the gulf between the investment minded stockholders and the stockholders more interested in managing—which mirrored the portage conflict between the outsiders and insiders—could not be rectified. Even the social geography of the major stockholders was indicative of the split: Ainsworth, Reed, Thompson, and Ladd, interested in the daily operations of the company as well as a long-term investment strategy, all resided in Portland. On the other side, ideologically and geographically, were Bradford, Ruckel, and Olmstead, all of whom had permanently left Oregon and returned to their homes in the East, hoping simply to live off the income

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<sup>98</sup> See Dorothy O. Johansen, “Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company” (Ph.D. Thesis, University of Washington, 1941), p. 150.

<sup>99</sup> J.W. Ladd to Simeon G. Reed, 14 June 1865, in Reed Letterbooks, vol. 1. Special Collections, Reed College.

<sup>100</sup> “Oregon Steam Navigation Company Minute Book,” 29 August 1865, 6 November 1865, 4 December 1865, in Oregon Steam Navigation Company Papers. Special Collections, Reed College.



from their OSN stock and other investments.<sup>101</sup> The Portland residents felt that the only way to unify the conflicting philosophies between the major stockholders would be to buy out and remove those who disagreed with their strategy. Unfortunately for the Portland alliance, the stockholders recently removed to the East knew very well the company's ability to pay handsome dividends, and were reluctant to give up their shares easily. A battle for the control of company ensued, during which the alliance of Ainsworth, Reed, Thompson, and the Ladd's used their position in Portland, as well as their control of the board, to hide and obscure crucial information about the company from the rest of the stockholders. The insiders monopolized information so completely that in the end, they even used OSN cash reserves to buy out all the other stockholders, not just Ruckel and Olmstead. The "aggressive accounting" practiced by today's corporate giants seems almost reasonable when compared to the actions of the OSN alliance.

In order to gain control of the stock, Ainsworth, Thompson, Reed, and Ladd manipulated the geographic distance between the Portland alliance and the outsiders to depress the market value of the OSN stock, ironically, using Bradford's own philosophy to remove him and others from the lists of shareholders. First the alliance withheld the company's financial details from outsiders which would allow them to manipulate the stock value more easily. When Reed assumed the presidency of the road, he discontinued the practice of reading the annual report and entering it into the company minutes, preferring instead simply to "have it placed on file without being read." Thereafter, any director or stockholder not intimate with Reed and Ainsworth would not have access to the details of the company's finances—including cash on hand, gross and net profits, and expenditures. Explaining the decision to J.W. Ladd, Reed argued that the alliance thought it "*in-advisable* for the stockholders to know the result of the years [sic] business, ... and

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<sup>101</sup> These three major stockholders were mimicked by a number of smaller stockholders, all of whom lived outside of the Northwest, and most in either New York or Massachusetts. For a list of stockholders at the time, see "Oregon Steam Navigation Company Minute Book," 7 November 1864 and 6 November 1865, in Oregon Steam Navigation Company Papers. Special Collections, Reed College; see also Dorothy O. Johansen, "Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company" (Ph.D. Thesis, University of Washington, 1941), p. 172.

the fact that the company ... [has] quite an amount of funds on hand.” Instead, the shareholders were told “that there are many things connected with the prudent management of the Company’s business, which would be inexpedient for the stockholders (and the public) to be apprised of &C&C = which are *truly* the facts.”<sup>102</sup> We can tell from Reed’s insistence of the logic of this move that it was not met without opposition. Bradford complained to Reed that “not one of you who write ever give a figure—How can I form an opinion of the Co and not know what you are doing?”<sup>103</sup>

The most essential piece of financial information the alliance sought to obscure was the fact that the OSN was creating a sinking fund to build a large steamship, the *Oregonian*, suitable for the ocean route between Portland and San Francisco. Reed and Ainsworth were afraid that the OSN was loosing traffic from the Montana and Idaho mining boom to the Boise and Chico Stage Company, an overland freight company funded by California interests. Reed argued that only by obtaining ownership of the ocean connection to San Francisco could the company retain through traffic to and from the mines.<sup>104</sup> So in July of 1865, the board passed a resolution authorizing J.W. Ladd to contract one of the Brooklyn shipyards for the building of an ocean steamer.<sup>105</sup> Daniel Bradford’s brother Putnam, representing the Bradford interests on the board was absent from the meeting, which allowed the alliance to pass the resolution without the knowledge of the “outsiders.”

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<sup>102</sup> Simeon G. Reed to J.W. Ladd, 7 November 1865, in Reed Letterbooks, vol. 2. Special Collections, Reed College, emphasis in the original.

<sup>103</sup> Daniel F. Bradford to Simeon G. Reed, 9 November 1866, in Reed Letterbooks, vol. 2. Special Collections, Reed College.

<sup>104</sup> The problem for the OSN was the coastal trade between San Francisco and Portland was controlled by one company, the Pacific Mail Steamship Company. Their vessels were outdated and their fares were high, while the stage route, although it took longer, was cheaper and the public felt it more reliable. Reed argued that shippers preferred to send their freight overland direct to and from San Francisco instead of via Portland on the OSN line. Simeon G. Reed to J.W. Ladd, 25 July 1865, 3 August 1865, in Reed Letterbooks, vol. 2. Special Collections, Reed College; and Simeon G. Reed to John C. Ainsworth, 12 May 1866, in Oregon Steam Navigation Company Papers. Special Collections, Reed College. For a complete narrative of the events surrounding the *Oregonian* see Frank B. Gill, “Oregon’s First Railway: The Oregon Portage Railroad at the Cascades of the Columbia River,” *Oregon Historical Quarterly* 25, no. 3 (1924): 174–325; and Dorothy O. Johansen, “Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company” (Ph.D. Thesis, University of Washington, 1941), pp. 151–54.

<sup>105</sup> “Oregon Steam Navigation Company Minute Book,” 7 July 1864, in Oregon Steam Navigation Company Papers. Special Collections, Reed College.

At first the company hid the fact that they were building the *Oregonian*, because the alliance feared Pacific Mail or the California Steam Navigation Company would run opposition boats on the Columbia. But they also feared a power struggle with the investment minded shareholders. With Daniel Bradford's brother a member of the board, the alliance knew they could not ignore Bradford for long, so they gambled and decided to put him in charge of securing the contracts to build the boat, hoping that a personal stake in the ship would quiet his concerns. Although he balked at first, their plan worked. Bradford repeatedly wrote to Portland that "my interests in the company are such that I feel myself identified with this operation." Yet his unease at the situation was not far below the surface, for he often complained "'tis rather hard for *stockholders* to lay out of dividends so long."<sup>106</sup> The cost of the ship, over \$400,000 by the time it was finished, forced the OSN to withhold dividends for five months in 1865, and then again for eight months in 1867.<sup>107</sup> By the time the *Oregonian* was finished, two opposition lines had entered the coastal trade and significantly reduced ocean fares.<sup>108</sup> In the end the company decided to sell it.

Even after the public learned of the OSN connection to the ship the board chose to obscure company finances surrounding the boat's construction and the effect it had on the company's bank account. The alliance realized that shareholders were unaware of the actual cost of the boat, so the board decided to hide behind the *possible* cost of the *Oregonian* and further withhold dividends. Without a buyer for the ship, the boat was simply part of the companies expanding fixed capital. Olmstead wrote to Ladd at the end of December 1866 objecting to the expansionist policies of the OSN: "if the company would let outside things alone and attend to their legitimate bus[iness] the stock would

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<sup>106</sup> Daniel F. Bradford to Simeon G. Reed, 29 October 1865, in Reed Letterbooks, vol. 2 Special Collections, Reed College, emphasis in the original.

<sup>107</sup> For dividend disbursements see "Oregon Steam Navigation Company Minute Book," in Oregon Steam Navigation Company Papers. Special Collections, Reed College.

<sup>108</sup> *Oregonian*, 22 February 1866, 24 February 1866; see also Simeon G. Reed to John C. Ainsworth, 12 May 1866, in Oregon Steam Navigation Company Papers. Special Collections, Reed College.

pay 2% [per month] and would be worth *par*. But no! they must continually have some project on hand to spend the earnings of the company.”<sup>109</sup>

Realizing that shareholder confidence was falling the alliance further undermined popular impressions of OSN stock. Harrison Olmstead, former Oregon portage owner complained to Ladd about the lack of information and demanded “to know something about the Bus[iness] of last year.”<sup>110</sup> Ladd replied that “the business for /66 was something near \$300,000 less than for /65 to my mind I think it will be less much less for /67 than /66.... I feel more confident than ever that we will lose [a] great amount of the Columbia River business.... I don’t see how the company can pay over 1/2% div. next year.” Ladd even went so far as to claim that he wanted “to get my outside matters all closed and put more money in [my banking interests].”<sup>111</sup> Ladd’s comments that the company would not be able to pay dividends, and that he, a major stockholder, was looking to sell severely affected the value of OSN stock, and major shareholders not privy to the machinations of the board member alliance began to contemplate selling out.

Neither of Ladd’s statements were true. Although no financial record for the company exists for the time in question, it is obvious that the company was not losing business, and that Ladd had no intent to sell. Future events bear out this conclusion. As shareholder confidence in the stock declined, the alliance sought the help of noted California capitalist and speculator Alvinza Hayward. In October 1866, Ainsworth contacted Hayward asking if the Californian was interested in helping the alliance members get rid of opposition shareholders.<sup>112</sup> Hayward declined to become a major financial contributor to the scheme, but Ainsworth persisted. “It is possible,” Ainsworth wrote, “that other parties may approach you on this subject as we have in a private way, represented you as the ‘anaconda’ that stands ready to swallow up the ‘small fry’ in case

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<sup>109</sup> Harrison Olmstead to W.S. Ladd, 30 December 1866, in Oregon Steam Navigation Company Papers. Special Collections, Reed College; emphasis in the original.

<sup>110</sup> Harrison Olmstead to W.S. Ladd, 30 December 1866, in Oregon Steam Navigation Company Papers. Special Collections, Reed College.

<sup>111</sup> W.S. Ladd to Harrison Olmstead, 28 January 1867, in Oregon Steam Navigation Company Papers. Special Collections, Reed College.

<sup>112</sup> John C. Ainsworth to Alvinza Hayward, 18 October 1866, in John C. Ainsworth Collection, vol. 1, Letters Sent, 1865–1874. Division of Special Collections & University Archives, University of Oregon.

you get control of our stock etc.... In short, assist us in our programme and we will reciprocate in the right way.”<sup>113</sup>

Hayward did not object to the scheme, nor to the alliance using his name, so the insiders began to purchase stock. W.S. Ladd publicly acted as Hayward’s “agent,” but the funds came neither from Californian nor from Ladd. Instead, the alliance literally used the company’s own assets to purchase company stock in their name! In a letter to J.W. Ladd in March 1867, Reed reports on the pool’s finances:

Due on purchases already made (about)	\$550,000
To purchase <i>all</i> the outside stock would require something like	
	<u>337,000</u>
Creating an indebtedness of	
\$887,000	
Resources	
Cash and available funds	175,000
Estimate net profits of Co. business to Dec. 1	350,000
Suppose we get cash for 1/2 of “Oregonian” say	<u>215,500</u>
	740,000
Showing amount the “Pool” would owe on first of Dec.	\$147,500 <sup>114</sup>

Had he been aware of the alliance’s clever manipulation of company stocks and resources, Bradford himself would have been proud.

The first to sell was a member of the alliance itself. Jacob Kamm, the longtime company engineer and original partner with Ainsworth, sold 404 shares to the company for nearly \$160,000. Kamm was informed as to the maneuvers of the alliance and offered to sell his stock if the company would fund a cooperative transportation enterprise on Puget Sound.<sup>115</sup> The board quickly leaked news of the transaction to the press, and reports of Hayward’s interest appeared in both the Portland and Puget Sound papers.<sup>116</sup> The perception that the OSN would be in the hands of extra-local capital worried Bradford so much that he sold his stock in the company in less than a month. In May 1867, Reed

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<sup>113</sup> John C. Ainsworth to Alvinza Hayward, 1 November 1866, in John C. Ainsworth Collection, vol. 1, Letters Sent, 1865–1874. Division of Special Collections & University Archives, University of Oregon.

<sup>114</sup> Simeon G. Reed to J.W. Ladd, 2 March 1867, in Reed Letterbooks, vol. 2 Special Collections, Reed College.

<sup>115</sup> Dorothy O. Johansen, “Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company” (Ph.D. Thesis, University of Washington, 1941), p. 179.

<sup>116</sup> Washington Standard, 29 December 1866; *Oregonian*, 7 December 1866.

falsely “sold” all his shares save 20 to Ladd as Hayward’s “agent,” which Ainsworth claimed created “considerable speculation.”<sup>117</sup> The perception that one of the long-time board members was willing to sell to Hayward only worsened the panic among OSN shareholders. Olmstead, desperate to unload what he thought would be a nearly worthless stock, literally pushed his shares on the alliance in February. They lacked the funds to pay for the entire share so they bought 70 shares in June, and the remaining portion at the close of the year.<sup>118</sup>

The alliance used Bradford’s own suggestions for stock manipulation to rid the shareholder lists of him and others like him by the close of 1867. As a reward, the four owners granted themselves a dividend of nearly 37%, or \$740,000.<sup>119</sup> This fact was not lost on the stockholders, seven of whom, led by Olmstead, sued the company in 1875 for dividends due them based on the assumption that what the alliance had done was either unethical or illegal.<sup>120</sup> A fortunate result of total control was that the four owners, all of whom agreed that expansion was the best way to meet opposition, were the sole recipients of the dividends. Yet profit motive alone fails to explain the group’s actions. As the following decade of ownership shows, the alliance was willing to forgo dividends when opposition required capital for expansion. Only by understanding the corporate ideology of these four owners can we begin to comprehend why they were so set on controlling the entire stock of the company.

### **Extending the Market: Building an Inland Empire**

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<sup>117</sup> John C. Ainsworth to J.W. Ladd, 18 May 1867, quoted in Frank B. Gill and Dorothy Johansen, “A Chapter in the History of the Oregon Steam Navigation Company: The Steamship *Oregonian*,” *Oregon Historical Quarterly* 38, no. December (1937): 58.

<sup>118</sup> W.S. Ladd to Harrison Olmstead, 4 February 1867 and 3 June 1867, in Oregon Steam Navigation Company Papers. Special Collections, Reed College.

<sup>119</sup> “Oregon Steam Navigation Company Minute Book,” December 1867, in Oregon Steam Navigation Company Papers. Special Collections, Reed College.

<sup>120</sup> See *Olmstead et al. v. The Oregon Steam Navigation Company*, in Oregon Steam Navigation Company Papers. Special Collections, Reed College. Ainsworth, Reed, and Thompson wanted to fight the suit, but Hayward and Ladd, mindful of the contemporary regional criticisms of monopoly feared more negative publicity, and convinced the others to settle for \$35,000. For more on the local critiques of the company, see chapter 5 below.

With control of the property rights at the Cascade portages came almost total control of transportation along the Columbia River, a plum property in the mid nineteenth-century. In order to fully capitalize on their investment, the OSN owners sought to extend their control beyond the rapids at The Dalles. Taking their capital-intensive strategy and applying it to both the upper Columbia and the Willamette Valley, the OSN invested in boats, wharves, docks, as well as railroads and other properties that would, they hoped, increase the amount of freight traveling on their Columbia highway. Some of these investments were more successful than others, but in the end they had the effect of greatly enriching the coffers of the OSN.

History itself helped the OSN in their quest for control. Early in the 1860s, just as the OSN gained control of the portages the interior Northwest experienced a series of major mining booms that greatly increased the importance of the Columbia River in the economic geography of the region. Upriver, the OSN ferried prospectors and later laborers, as well as their accoutrements—axes, shovels, tents, clothing, dry goods, canned food, and liquor—not to mention many of the finished goods that stocked the boom towns of Lewiston and beyond, such as expensive home furnishings and pre-fabricated saloon bars. On the return trip, the company's boats carried newly-rich miners, their luggage literally bursting with gold dust, as well as their less successful brethren. The *Oregonian* reported that gold shipped through Portland from the interior mines amounted to over \$400,000 a month between June and December in 1852, and over \$720,000 per month during the rush of 1864. During the mineral rushes, the OSN hauled a total of 60,320 tons of freight and nearly 93,000 passengers.<sup>121</sup>

The mining boom sent California interests into the interior to capture some of the trade, and bring it to Sacramento by wagon. To thwart their neighbors to the south, and to

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<sup>121</sup> See E.W. Wright, ed., *Lewis and Dryden's Marine History of the Pacific Northwest* (Portland: Lewis and Dryden Printing, 1895), pp. 106–107; Donald W. Meinig, *The Great Columbia Plain: A Historical Geography, 1805–1910* (Seattle: University of Washington Press, 1968)p. 214; Carlos Schwantes, *The Pacific Northwest: An Interpretive History, Revised and Enlarged Edition* (Lincoln, Nebraska: University of Nebraska Press, 1996), pp. 128–133; Carlos Schwantes, *Long Day's Journey: The Steamboat and Stagecoach Era in the Northern West* (Seattle, Wash.: University of Washington Press, 1999), p. 126; and Dorothy O. Johansen, "Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company" (Ph.D. Thesis, University of Washington, 1941), pp. 79–84.

take advantage of the traffic of the mining frontier to the east, the OSN board funded steamship and wagon service in Idaho and Montana Territories. In southern Idaho at Fort Boise on the Snake, the OSN built the *Shoshone*, and the *Forty Nine* at Little Dalles of the Columbia near the 49<sup>th</sup> parallel, the Canadian border. In the fall of 1865, Ainsworth, Thompson, Reed, and Ladd formed a subsidiary company, the Oregon and Montana Transportation Company, to connect the Columbia with Helena nearly 500 miles to the east. Stage coaches took passengers 200 miles across the Columbia plain from White Bluffs on the river to the newly built *Mary Moody* on Lake Pend Oreille. From there, they traveled eighty-five miles across the lake and up the Clark Fork of the Columbia to the Cabinet rapids. Above the falls, passengers and freight went 56 miles on the steamship *Cabinet* to Thompson falls, where yet another portage brought them to the mouth of the Jocko river where they boarded the steamer *Missoula* (see map 1). These attempts to take advantage of the outer reaches of the mining frontier, known as the Clark Fork route, were never as successful as the trunk routes along the Columbia, however. In 1869, the OSN ceased operations in the far eastern interior. Instead, the OSN turned south, to the agricultural areas of Walla Walla and to the more densely settled Willamette Valley.<sup>122</sup>

The mining boom brought a major population shift to the interior which the well equipped OSN capitalized on in the 1870s. Agricultural produce and livestock farmed and raised on the fertile soils of the Palouse hills in Washington and the Powder and Grande Ronde rivers in Oregon poured down the Columbia highway providing the OSN with even more lucrative profits during the mining rush.<sup>123</sup> Prior to the mining boom, the interior Pacific Northwest had undergone one of the worst winters in the history of white settlement and livestock in the settled areas of Umatilla and Walla Walla suffered greatly. This prompted a massive movement of cattle upriver from the Willamette Valley to the

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<sup>122</sup> For the most comprehensive overview of OSN attempts in Idaho and Montana see Carlos Schwantes, *Long Day's Journey: The Steamboat and Stagecoach Era in the Northern West* (Seattle, Wash.: University of Washington Press, 1999), pp. 165–75.

<sup>123</sup> See Carlos Schwantes, *The Pacific Northwest: An Interpretive History, Revised and Enlarged Edition* (Lincoln, Nebraska: University of Nebraska Press, 1996), pp. 207–210; and Dorothy O. Johansen, “Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company” (Ph.D. Thesis, University of Washington, 1941), pp. 232–234.



mining districts.<sup>124</sup> Agriculture followed in the 1870s, spurred on by the initial demands of the mining districts. However, farm produce soon outgrew the interior markets, and just as mining had spurred immigration to the interior in the 1860s, the Columbia plain experienced an immigration boom during the 1870s.<sup>125</sup> Settlers from Pendleton on the Umatilla river northeast to Pomeroy just south of the Snake river farmed a vast and productive “wheat belt” whose produce nearly choked the Columbia and almost overwhelmed the OSN boats. Dalles storekeeper Theodor Kirchhoff wrote that the OSN boats “are scarcely able to handle the wheat from the Walla Walla Valley.” “Stacks—mountains—of sacked wheat, in sheds at Wallula, prove the Walla Walla valley’s fertility.”<sup>126</sup> Wheat shipments on OSN boats increased five-fold between 1874 and 1878, from 4021 tons to nearly 21,000 tons.<sup>127</sup> According to the 1880 census, the Columbia Plain produced almost 1,500,000 bushels of wheat in a single year.

### *Rails Along the Willamette*

Changes in the region brought about by emigration and agricultural development in the interior brought new challenges to the OSN board of directors. As wheat traffic in the region increased, the OSN owners sought to extend their transportation empire into the agricultural arena with rail connections that would bolster their investments along the Columbia and in the port of Portland. To the south along the fertile banks of the Willamette River, Ainsworth, Reed, and Thompson hoped to lay the groundwork for an iron monopoly to match their river and rail system on the Columbia. Though the OSN’s attempts along the Willamette were minimal and nearly all met with failure, the company’s rivals eventually came to play a role in the larger story along the Columbia, and thus the Willamette struggles deserve retelling here. The company’s efforts to control

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<sup>124</sup> Earle K. Stewart, “Transporting Livestock by Boat up the Columbia, 1861–1868,” *Oregon Historical Quarterly* 50, no. 4 (1949): 251–59; Donald W. Meinig, *The Great Columbia Plain: A Historical Geography, 1805–1910* (Seattle: University of Washington Press, 1968), pp. 220–21.

<sup>125</sup> Donald W. Meinig, *The Great Columbia Plain: A Historical Geography, 1805–1910* (Seattle: University of Washington Press, 1968), pp. 249–253.

<sup>126</sup> Frederic Trautmann, ed., *Oregon East, Oregon West: Travels and Memoirs by Theodor Kirchhoff, 1863–1872* (Portland, Ore.: Oregon Historical Society, 1987), pp. 157, 160.

<sup>127</sup> “Notebook, 1877–1878” in Simeon G. Reed Collection. Special Collections, Reed College.

agricultural freight further upriver on the Columbia, however, met with considerably more success and served to strengthen their hold on a river whose importance grew even as the OSN monopoly became more secure. After failure in the Willamette, the OSN board gazed beyond Wallula, into the Walla Walla valley, and when the company sold out to a combination of New York, Boston, German, and English capital in 1879, they could rightly claim mastery of the Columbia River.

South of Portland, the Willamette valley represented the only region in the state densely settled by Americans. Historian Carlos Schwantes notes that the region is roughly size of Massachusetts and was the first area in the state to attract overland emigrants.<sup>128</sup> It was populated primarily by farmers who became prosperous off wheat shipments to California during the gold rush. A brisk trade along the river developed in the 1850s. By the following decade, residents of both California and Oregon began to view the Willamette as the only area in Oregon that would support a railroad, and both capitalists and congressmen worked to bring iron rails to the valley floor. What followed was perhaps one of the more bizarre dramas in the history of either the American West or American railroads.<sup>129</sup>

In 1863-64 Oregon surveyor George A. Belding and California surveyor Simon G. Elliott organized the California and Oregon Railroad Company with a group of

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<sup>128</sup> Carlos Schwantes, *Long Day's Journey: The Steamboat and Stagecoach Era in the Northern West* (Seattle, Wash.: University of Washington Press, 1999), p. 297.

<sup>129</sup> Events in the Willamette Valley are largely peripheral to the scope of my dissertation. The complicated and utterly confusing story of the railroads in the Willamette has thankfully been covered many times over, and my description of the events in the valley is based primarily secondary sources. I am heavily indebted to John Tilson Ganoe's exhaustive study of the Willamette Valley roads; see John Tilson Ganoe, "The History of the Oregon and California Railroad," *The Quarterly of the Oregon Historical Society* XXV, no. 3-4 (1924): 236-283; 330-352. Historian Dorothy Johansen told the story through the lens of the OSN in her comprehensive narrative of the Oregon Steam Navigation Company; see Dorothy O. Johansen, "Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company" (Ph.D. Thesis, University of Washington, 1941), pp. 203-13. One of the primary actors in the Willamette controversy, Joseph Gaston, narrated his own version of the story in Joseph Gaston, "The Genesis of the Oregon Railway System," *The Quarterly of the Oregon Historical Society* VII, no. 2 (1906): 105-144. The most recent discussion of the Willamette Valley railroads is contained in Carlos Schwantes two syntheses on Pacific Northwest transportation; see Carlos Schwantes, *Railroad Signatures Across the Pacific Northwest* (Seattle, Wash.: University of Washington Press, 1993), pp. 53-56; and Carlos Schwantes, *Long Day's Journey: The Steamboat and Stagecoach Era in the Northern West* (Seattle, Wash.: University of Washington Press, 1999), pp. 295-99.

California and Southern Oregon capitalists.<sup>130</sup> Belding was a civil engineer in Portland and Elliot had been a county surveyor who had the fortune of laying a preliminary railroad route across the Sierra Nevada mountains favored by the Pacific railroad. This company intended to run a line from the upper reaches of the Sacramento valley to the Oregon border, across the Klamath and Siskiyou mountains of southern Oregon, and thence up the east side of the Willamette to Portland. The laws of Oregon demanded that railroad corporations be incorporated *in Oregon*, however, so the company organized and incorporated an essentially new corporation for the Oregon section of the route called California and Columbia River Railroad Company. However, Joseph Gaston, one of the original organizers of the Belding and Elliott road objected to the route of initial survey. With the aid of another surveyor, A.C. Barry, he proposed a different route through Oregon on the west side of the Willamette to Portland.<sup>131</sup>

The rival interests lobbied both the state and national legislatures for aid for their respective routes. The Oregon legislature passed a meager aid package which failed to designate the route, so the east side camp split in an attempt to secure federal funding. Elliott had never actually incorporated the California and Oregon Railroad, so in June 1865, he filed articles of incorporation in California. In Oregon, he filed separate articles of incorporation for a sister road, the Oregon and California Railroad Company. Both camps went to Congress in 1865, but neither received any aid from the national legislature. During the next Congress, Elliott succeeded in obtaining a land grant of 20 alternate sections for every mile for the entire scheme, but the eventual law was not exactly what he had in mind. Although Congress fixed the California and Oregon Railroad as the beneficiary of the grant in California, the legislature left it to the state of Oregon to determine which route and what corporation would receive the grant.<sup>132</sup>

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<sup>130</sup> Jacksonville, Oregon had just experienced a brief but lucrative gold rush which granted the southern Oregon community both political and economic power. See John Tilson Ganoe, "The History of the Oregon and California Railroad," *The Quarterly of the Oregon Historical Society* XXV, no. 3-4 (1924): 239.

<sup>131</sup> Dorothy O. Johansen, "Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company" (Ph.D. Thesis, University of Washington, 1941), pp. 204.

<sup>132</sup> 14 Stat. 239. "An Act granting Lands to aid in the Construction of a Railroad and Telegraph Line from the Central Pacific Railroad, in California, to Portland, in Oregon," 25 July 1866.

The battle returned to Oregon where it was up to the legislature to decide upon a route. Gaston moved to take advantage of the undesignated Oregon portion of the grant and fix it for the west side route. On 6 October 1866, he organized the Oregon Central Railroad Company (OCRR), whose papers were endorsed by the Secretary of State. Gaston delayed filing the articles, and instead went to Portland to negotiate with the OSN board for funding. While he was in Portland, the legislature passed a bill conferring the land grant upon the OCRR.<sup>133</sup> Members of his own camp, however, began to worry that Portland capitalists might seek to delay the connection with California so as to favor Portland as the primary port for the state's agricultural and mineral productions. In the time between the legislature's decision and Gaston's return to Salem, some of the original incorporators organized a *second* Oregon Central Railroad, on November 17, to capture the land grant. The new company, led by assistant Secretary of State I.R. Moore, was immediately approached by Elliot and the California interests who agreed to fund the road if the new company chose the east side route.<sup>134</sup> Gaston returned on November 21, unaware of the second road and filed articles with the Portland funds. However, he failed to file the original papers endorsed in October, thus giving the second OCRR road a legal basis for existence. When Gaston learned of his synonymous rival, he hurried to complete construction. The two companies broke ground in 1868 with the question of the grant undecided. After appeals to the Interior department, Congress, and the courts, the struggle ended up in the Oregon legislature, who had to decide which company would win the grant.

The OSN board interpreted the struggle between the east and west side roads as a struggle between local and non-local capital. The west side road, owned by Portland interests would try to funnel the freight of the Willamette and southern Oregon to Portland, whereas the east side road was a puppet in the hands of California capital. Reed articulated the OSN interpretation to the Oregon senate delegation in Washington, D.C.

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<sup>133</sup> "An Act To Aid in the Construction of the Oregon Central Railroad," 24 October 1866, in *Acts and Resolutions of the Legislative Assembly of the State of Oregon, Passed at the Fourth Regular Session, 1866* (Salem, Ore.: W.A. McPherson, State Printer, 1866), pp. 3–5.

<sup>134</sup> John Tilson Ganoë, "The History of the Oregon and California Railroad," *The Quarterly of the Oregon Historical Society* XXV, no. 3-4 (1924): 248–51.

“Who then would be benifited [sic] were this enterprise carried out? ... Would not Portland loose [sic] a large portion of the trade of the Willamette Valley which would go to enrich the State of California and build up her Rail Road interests?” In order to prevent a California connection that would siphon freight away from Portland, the OSN simply intended to control the situation. “Neither the state nor Portland is loosing [sic] much on the score of the Road not being built at once,” he continued.<sup>135</sup> If the OSN and the west side road could triumph, then Portland interests would be able to dictate both the speed at which a California connection would be made, and the terms of the connection.

The events that followed illustrate that the OSN interpretation was not far from the truth, but not entirely correct either. The ultimate arbiter of the struggle was indeed a California capitalist, although it was not in his interest to make a speedy connection with California either. Ben Holladay was dominant figure in the coastal steamboat trade from Portland to San Francisco. In addition, he had recently sold a stagecoach empire to the Wells, Fargo Company, and was seeking an investment for his riches. He saw the Willamette as the embodiment of two prizes: the first was the land grant. Whichever route triumphed would receive a kingly grant, itself an immense prize. He also saw the Willamette contest as a means to strengthen his hold on the Oregon and California trade. For if he were to control railroads in the Willamette he could keep Oregon from becoming tributary to Colis Huntington’s Central Pacific Railroad empire.

While the OSN board spent capital to fund construction of the west side road, the east side route let construction contracts to Holladay. The latter road was starved for cash, and it was not long before Holladay owned the corporation. Most historians claim that Holladay then used his wealth to buy influence in the Oregon legislature and secure the land grant for the east side road, although there is no direct evidence to support this claim. It is true that the Department of the Interior had earlier determined the west side road to be the rightful recipients of the grant, and that the Oregon legislature reversed the

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<sup>135</sup> Simeon G. Reed to George H. Williams and Henry Corbett, 9 December 1867, in Reed Letterbooks, vol. 1. Special Collections, Reed College.

decision in 1868.<sup>136</sup> Ultimately though, it came down to which road could build 20 miles of track the fastest. Holladay commanded more capital than the OSN, and Ainsworth, Reed, Thompson, and Ladd were having difficulty securing the iron necessary to complete their construction. In 1870, Holladay made an offer to the OSN interests and their allies in the west side road which more than equaled their construction expenses up to that point. The Portlanders decided to cut their losses and sell to Holladay.

When control was secure, Holladay re-organized the east side road, naming it the Oregon and California Railroad, kept control of the west side, Oregon Central Railroad, and purchased the dominant steamboat interest on the Willamette and incorporated it into his ocean line, the Oregon Steamship Company.<sup>137</sup> Unwilling to give up on either of the railroads, Holladay sold mortgage bonds on all three companies to German investors. For a few years, Holladay ruled the Willamette, and the trade of western Oregon with these three companies. His penchant for monopolies and high finance in the world of transportation led to collapse in 1873 when he was forced to default on the payments for the Oregon and California Railroad bonds. To secure Holladay's removal, the Frankfort bondholders turned to a German emigrant to the United States who was back home convalescing after a nervous breakdown. Henry Villard, a former newspaper reporter during the Civil War, had written an account of the Colorado gold rush of the 1850s and had managed to dispose of a handful of railway securities in Frankfurt two years earlier.<sup>138</sup> The desperate bondholders sent Villard to southern Oregon to negotiate with Holladay. Initially, Villard came back with an agreement that placed the financial and operational control of the road in the hands of an agent, but when Holladay violated the agreement, Villard returned to Oregon and demanded his removal. With the support of European bondholders of the Oregon Central and Oregon Steamship companies, Villard forced Holladay to sell completely. The owners of the various properties agreed to

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<sup>136</sup> John Tilson Gano, "The History of the Oregon and California Railroad," *The Quarterly of the Oregon Historical Society* XXV, no. 3-4 (1924): 253.

<sup>137</sup> Dorothy O. Johansen, "Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company" (Ph.D. Thesis, University of Washington, 1941), pp. 212-13.

<sup>138</sup> James B. Hedges, *Henry Villard and the Railways of the Northwest* (New Haven: Yale University Press, 1930), p. 11.

operate their interests in common and asked Villard to manage operations of all three companies in Oregon.<sup>139</sup>

### *Rails in the Inland Empire*

While Villard rose to prominence in western Oregon, Ainsworth, Thompson, Reed, and Ladd turned away from the Willamette and focused their expansionist intentions on their Columbia River stronghold. However, they had learned a valuable lesson in their two previous attempts at expansion. Rather than risk their own capital on new projects that might or might not pay, the board preferred to allow others to invest in new schemes that sought an outlet on the Columbia. Just as they had spent liquidity incorporating existing opposition boats on the river in the 1860s, by the 1870s the board preferred to incorporate existing properties that enhanced their system. This strategy culminated with the purchase of the Walla Walla and Columbia River Railroad in 1878.

In March 1868, Walla Walla banker and land owner Dr. Dorsey S. Baker incorporated the Walla Walla and Columbia River Railroad (WW&CRRR) in Washington Territory. Baker intended to run a road from the rich wheat lands of the Walla Walla Valley to the Columbia River at Wallula. For nearly six years, Baker and a handful of investors from Walla Walla struggled to fund construction contracts for the road, running up nearly \$75,000 of debt. He lacked the capital necessary to complete his project and eventually secured aid from the residents of Walla Walla. With \$25,000 from individual subscriptions, the company opened the road in October 1875.<sup>140</sup>

Upon its completion, Baker's road was an almost immediate success, but its high profit margin bred discontent in the region. Although there are no records for the organization from its first few years, Baker claimed later that it cleared \$150,000 in 1877 and \$212,050.33 in 1879. Furthermore, its operating costs appeared to be extraordinarily

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<sup>139</sup> James B. Hedges, *Henry Villard and the Railways of the Northwest* (New Haven: Yale University Press, 1930), pp. 13–16. For more on Villard and the Holladay transportation interests, see ch. 2 below.

<sup>140</sup> W.W. Baker, "The Building of the Walla Walla and Columbia River Railroad," *Washington Historical Quarterly* 14, no. 1 (1923): 3–13; Dorothy O. Johansen, "Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company" (Ph.D. Thesis, University of Washington, 1941), p. 237.

low not 23% of its gross earnings. He secured an agreement with the OSN which favored all wheat shipments from the valley via his railroad over that of wagon teamsters.<sup>141</sup> In 1877, Reed began receiving letters complaining of Baker's rates. The board realized that they might be able to capitalize on Baker's high profit margins if they could convince the angry farmers to organize an opposition to Baker and use the threat of competition to induce Baker to sell.<sup>142</sup> Reed replied to various individuals in the valley indicating the OSN's interest in an opposition line. The most promising project was a line from La Grande to Umatilla with a spur to Weston, a route which would have drained considerable freight from Baker's road. Reed told Daniel Chaplin, the La Grande promoter, to tap into the Walla Walla discontent and secure funding from his northern neighbors. Should Chaplin "grade and get out ties for 20 miles of road," Reed wrote with a sly and more than encouraging nod, "sooner or latter *somebody*," would provide the railroad iron and rolling stock.<sup>143</sup>

The OSN bought the Walla Walla and Columbia River Railroad in 1878. Baker entered into negotiations with the OSN in December 1877. He set his price at \$335,000, roughly the initial cost of the road. In response to what the OSN felt was an inflated price, Reed purchased 35 miles of railroad iron and a railroad engine as an indication of the OSN's intent to fund an opposition.<sup>144</sup> Baker eventually lowered his price to just over \$320,000, with the stipulation that he retain a one-seventh share in the road, and received fully one-half the profits for another year. For their part, the OSN owners decided to purchase the road as private individuals to forestall any prohibitive action from the territorial legislature which had exhibited an intense antagonism toward the OSN's control of the Columbia River.<sup>145</sup>

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<sup>141</sup> Dorothy O. Johansen, "Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company" (Ph.D. Thesis, University of Washington, 1941), pp. 237-38.

<sup>142</sup> See Simeon G. Reed to John C. Ainsworth, R.R. Thompson, and Ladd and Tilton Bank, 30 November 1877, in Reed Letterbook vol. 10. Special Collections, Reed College.

<sup>143</sup> Simeon G. Reed to Daniel Chaplin, 4 October 1877, in Reed Letterbook vol. 10. Special Collections, Reed College.

<sup>144</sup> "Notebook, 1877" in Simeon G. Reed Collection. Special Collections, Reed College.

<sup>145</sup> For details of the sale see correspondence between Simeon G. Reed and John C. Ainsworth, R.R. Thompson, and Dr. Dorsey S. Baker between 28 December 1877 and 22 February 1878, in Reed Letterbook, vol. 10. Special Collections, Reed College.



What the purchase of the road illustrates is the maturation of the OSN's strategy along the river. Rather than invest in more risky and unstable projects of expansion at the far periphery of their empire, the OSN choose instead to spend capital to strengthen their control of the Columbia trunk. The massive bulk of agricultural trade made it well suited to river transportation, and the growing production of the agricultural valleys surrounding the confluence of the Columbia and Snake rivers made the Columbia highway even more important. Possibly the only real competitor to the river would be a rail line paralleling the OSN system. The high initial costs of a railway, the nature of the Columbia Gorge, and the OSN's ownership of the portages put the company in a good position to at least take advantage of the construction of a road, if indeed it came. But for the present, the management intended to run the business as usual, and enjoy control of the river.

### **Conclusion: Measuring Success**

Just how successful was the OSN? By the late 1870s the corporation was powerful enough to issue an exclusivity edict regarding its portages. Up until that time, the company controlled the river by charging exorbitant rates at the portages and aggressively waging rate wars which forced opposition lines to sell steamboats for less than cost—which the OSN gleefully utilized to alleviate the massive backlogs of upriver freight. But in 1877 the OSN notified the people of the Pacific Northwest that it would not ship any freight over its portages that was not shipped on its boats. The board did agree to ship alien freight, but the cost over the portage would be equal to the company's fares from freight's point of origin!<sup>146</sup> The OSN dividends over the life of the company illustrates the corporation's immense success. The OSN's original capitalization was \$172,500 in 1861, which the owners increased four times, and by November 1868, the board paid dividends on stock which they valued at \$5,000,000. Even before the board increased the capitalization in 1868, the stockholders had received \$1,711,108, for a return of 992% on their original investment.<sup>147</sup> We have to remember that by November

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<sup>146</sup> Senate Report no. 782, 45<sup>th</sup> Cong., 3<sup>rd</sup> sess.: 4.

<sup>147</sup> This figures are based upon the declared dividends listed in the "Oregon Steam Navigation Company Minute Book," in Oregon Steam Navigation Company Papers. Special Collections, Reed

1867, there were only four stockholders! In her exhaustive study of the OSN, historian Dorothy Johansen estimates that the total dividends paid to the stockholders of the steamship monopoly throughout the life of the corporation were approximately \$4,603,180, nearly 2669% of the original investment.<sup>148</sup> These figures become even more impressive given the board's policy to spend liquidity on construction and opposition boats in order to keep competition at a minimum.

The board members of the OSN enjoyed their success. Though not ostentatious, the owners of the OSN constructed a culture of respectability out of the enormous success of the corporation in both the company and their own private property. Newspapers and travelers alike remarked on the impressive elegance, and grandeur of the OSN boats. The *Daily Oregonian* reported that the OSN tried "to keep all their boats in the best possible running trim. No sooner does one of the steamers show the least sign of want of repair than it is ordered to the boneyard ... for an overhauling."<sup>149</sup> Theodor Kirchhoff, a German emigrant to Oregon who later settled at The Dalles, remembered that he was "pleasantly surprised to find the splendid" OSN steamboat *Wilson G. Hunt*, "appointed in luxury for which American riverboats are justly famous but which I had not expected in this remote region. ... This one roared through Oregon's wilderness in elegance and comfort equal to some European counterparts and was a floating palace."<sup>150</sup> The OSN steamboats were *modern*, and brought a level of luxury and technical sophistication to the Pacific Northwest that few residents might have seen. On the outside, on-lookers and passengers were presented with intricately worked iron filigree of the smokestacks and railings and gigantic turned spindles, painted a brilliant white, housing the immense side and stern-

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College. See also "Appendix II: Capitalization and Dividends, Oregon Steam Navigation Company: 1861–1880" in Dorothy O. Johansen, "Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company" (Ph.D. Thesis, University of Washington, 1941), pp. 290–91.

<sup>148</sup> The OSN minutes from 19 September 1874 to 5 July 1877, and 24 December 1878 to 20 September 1879 are missing. However, Johansen located a memorandum written by Reed which indicates that the company paid at least \$500,000 more than the reported dividends as compiled from the Minute book. See Dorothy O. Johansen, "Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company" (Ph.D. Thesis, University of Washington, 1941), p. 229.

<sup>149</sup> *Daily Oregonian*, 26 August 1873.

<sup>150</sup> Frederic Trautmann, ed., *Oregon East, Oregon West: Travels and Memoirs by Theodor Kirchhoff, 1863–1872* (Portland, Ore.: Oregon Historical Society, 1987), p. 14.

wheels. Inside the boats first-class travelers ate fine meals in luxurious dining halls, socialized in grand ballrooms, and passed river nights in gilt-edged staterooms (see fig. 8). To advertise the glory of their company, the owners contracted the noted landscape photographer Carleton Watkins to make a series of stereographic views and picture albums extolling the pioneering virtues of the OSN and its owner-entrepreneurs.<sup>151</sup> In classic entrepreneurial spirit, OSN owners such as Reed and Ainsworth took pride in their boats and lavished expenditures with an eye on prolonging the life of their property. As newly formed western elites, they also felt a personal stake in their river property and the elegance of their steamships probably helped to mitigate local criticisms leveled against the rapidity of their monetary accumulation and the rapaciousness of the OSN profits. Finally, as self-conscious inhabitants of the “frontier,” the OSN owners also tried to imbue their growing region with a culture of improvement, modernity, and settled-ness in opposition to the transient nature of many western spaces.

These men also promoted that same sense of refinement and improvement in their personal behavior and property. Similar to many late nineteenth-century industrialists, the OSN directors supported their new monetary status by constructing a cultural status they felt befitted their position as regional elites. Reed spent \$5000 on a painting of Mt. Hood by Albert Bierstadt, the famed Romantic painter. The original, Bierstadt informed Reed in their private correspondence, was painted for a senator and hung in his home in Washington, D.C.<sup>152</sup> The entrepreneur invested heavily in show-quality, pure-bred livestock—horses, cattle, and sheep—in what he called his “effort to introduce blooded stock” to Oregon breeders. “I feel that the time is not far distant,” Reed wrote one correspondent, “when our people generally will see the importance (and profit) of using

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<sup>151</sup> Carleton Watkins, *Photographs of the Columbia River and Oregon*, edited by James Alinder with essays by David Featherstone and Russ Anderson. (Carmel, Calif.: The Friends of Photography in association with The Weston Gallery, 1979); Douglas R. Nickel, ed., *Carleton Watkins: The Art of Perception* (San Francisco: San Francisco Museum of Modern Art and Harry N. Abrams, Inc. Publishers, 1999).

<sup>152</sup> Albert Bierstadt to Simeon G. Reed, 9 May 1879, in Reed Letterbooks, vol. 9. Special Collections, Reed College.

*pure blooded* animals for the improvement of their flocks and herds.”<sup>153</sup> Reed told another correspondent that he had “invested quite extensively in this enterprise, and my whole heart and soul is in it.”<sup>154</sup> He was a major contributor to the Oregon State Agricultural Society and he was a state representative for the livestock show at the Philadelphia centennial exposition.<sup>155</sup> His show animals, for which Reed often paid over \$4000, regularly won awards at the state livestock shows, and even won him honors at the 1876 centennial exposition in Philadelphia.<sup>156</sup> Both Reed and Ainsworth enjoyed what they considered to be gentlemanly pursuits out-of-doors such as angling and hunting. They corresponded with each other and other local elites to discuss their favorite spots and from whom they could purchase the finest tackle and attire.<sup>157</sup> Investing in and consuming the cultural trappings of gilded-age elites—paintings, boutique livestock, leisure pursuits—this intimate circle of friends conferred upon each other the cultural status they so desired.

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The rise of the Oregon Steam Navigation Company teaches us much about the nature of American capitalism in the nineteenth-century. Most important, we need to understand that the OSN practiced entrepreneurial capitalism—a spatial enterprise played out on a number of different planes. In the realm of material, or physical, reality, the OSN success was based upon a certain set of pre-existing geographic facts. The landscape east of the Cascades was rich in mineral ore and well suited for mining. In addition, the

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<sup>153</sup> Simeon G. Reed to M. Fisk, 17 April 1872, in Reed Letterbooks, vol. 7. Special Collections, Reed College.

<sup>154</sup> Simeon G. Reed to M. Wilkins, 27 April 1872, in Reed Letterbooks, vol. 7. Special Collections, Reed College.

<sup>155</sup> For Reed’s role in the Oregon State Agricultural Society see E.M. Waite to Simeon G. Reed, 15 December 1873; and William Watson to Simeon G. Reed, 14 March 1874. For Reed’s appointment as a member of the State of Oregon’s Board of Centennial Commissioners for the Centennial Exposition see and L.F. Grom to Simeon G. Reed, 23 November 1874, in Reed Letterbooks, vol. 6. Special Collections, Reed College.

<sup>156</sup> For Reed’s stock purchases, see “Reed Diaries;” for livestock awards, see John P. Moore to Simeon G. Reed, 24 July 1875, in Reed Letterbooks vol. 6; and A.T. Goshorn to Simeon G. Reed, 23 November 1876, in Reed Letterbooks, vol. 8. Special Collections, Reed College.

<sup>157</sup> Simeon G. Reed to Messrs Geo. W. Simmons & Son, 4 June 1877, in Reed Letterbooks vol. 6. Special Collections, Reed College; and John C. Ainsworth to Thaddeus Norris, 6 March 1877, in John C. Ainsworth Collection, vol. 2, Letters Sent, 1874–1880. Division of Special Collections & University Archives, University of Oregon.

rolling plains of the Palouse and the Grande Ronde held deep fertile soil and enough rainfall for large scale agricultural production. Population centers in Portland and San Francisco provided a market for the natural produce of the interior and the necessary labor to obtain it. Finally, new settlers understood that the Columbia River was suited to the newly evolving technologies of steam and rail, thus providing the possibility of a link between the interior and the coast. In a very real sense, the landscape of the Pacific Northwest played a role in the OSN's rise to power. But the OSN also created new places and spatial relationships, atop these pre-existing geographic realities. Through its steamship routes, portage railways, warehouses, and wharves the corporation literally created new geographies in the Pacific Northwest. The company expended large amounts of capital on enormous floating warehouses capable of transporting workers, wheat, and wealth in the thousands and thousands of tons. The portage railways, steam engines, and flat cars facilitated the movement of people and freight between Portland and the interior, helped the OSN eliminate competition, and thus provided a measure of stability to the inherently insecure enterprise of river transportation.

The OSN turned the material reality of the Columbia River into a private highway. At the junction of landscape and real estate—material reality and ideologies of property—lies the second spatial plane of the OSN enterprise. OSN ownership of the natural facts of the Pacific Northwest, namely the portages, fails to explain the corporation's meteoric rise to domination. Rather, the company was successful because it owned the geographical information that described the physical places so essential to corporate control. The strength of the OSN system might have been the physical geography of the Columbia River, but the company's domination lie in its knowledge and consequent aggressive acquisition of property rights along the river portages. The land claims of Bradford and Ruckel were the basis for portage tramways and later railways which the OSN used to refuse service to competing ships and eliminate corporate rivals on the river. This distinction between physical reality and rights of ownership is important, because, as we will see in the next chapter, property rights, unlike the physical landscape, were vulnerable to attack from local and international capital. Only the OSN's

ability to obscure the distinction between property rights and real property kept the company from being subject to long-term stable competition.

Investigating the spatial dimensions of the OSN board of directors provides us with important lessons about what business historian Alfred Chandler identified as nineteenth-century entrepreneurial capitalism. The struggles within the Oregon Steam Navigation Company, which the owners played out in geographic space, were by no means unique to the company. They were partly the product of a shift in American capitalism that occurred in the nineteenth-century from entrepreneurial capitalism to financial or managerial capitalism. Ainsworth and Thompson, both steamboat men, were entrepreneurs who thought of the company more as an amalgamation of cooperatively owned boats than as a pure monetary investment. Reed's tenure as president and his close association with Ainsworth convinced him that the other major stock holders were less interested in the long-term success of the company and more interested in making large dividends and manipulating stock, facts illustrated by the struggle to incorporate the portages. As true entrepreneurs Ainsworth, Thompson, and Reed, and to a lesser extent Ladd, were owner-operators, interested in both the daily operation of the vessels, what Chandler calls the "short term operating activities," as well as the "long term policy" and strategy of the corporation as a whole. These men saw the corporation through a dual set of lenses, as investors in a corporation and managers of a fleet of steamboats and railroad engines. Owners such as Bradford and Ruckel did not share in the joys of daily management. Their property in the corporation was monetary, and they saw their investments in terms of liquidity, not the fixed capital that the alliance favored. Fissures in the corporation developed along these lines and Bradford and Ruckel found themselves in opposition to the owner-managers.

The dual functions of ownership and management characteristic of entrepreneurial capitalism also placed an emphasis on the geographic location of the owner-managers. The alliance members concern with daily operations kept them in the Pacific Northwest, where they could keep a watchful eye on events on the ground and where they could be privy to local circumstances. Bradford and Ruckel, on the other

hand, had little interest in Oregon especially after they had given up private ownership of the portages. Their removal to the East illustrates their vision of the OSN as a solely monetary investment. At the same time, the literal distance between the former portage owners and the alliance helped to increase the ideological and social distance between them and the rest of the board. Knowledge of local events created a unified strategy within the alliance and gave the insiders a competitive edge on their rival shareholders. As Ladd told Reed, being “on the spot,” allowed the alliance to “know all the ‘in’s [sic] and outs’ ... and of course see through the true state of circumstances.”<sup>158</sup>

The entrepreneurial ideology shared by Ainsworth, Thompson, and Reed placed an increased importance on the actual board meetings in Portland. The board meeting both reflected and reinforced conflicts within the OSN ownership. It became a “secret ritual” where hierarchy was created and played out, where intimacies were withheld and revealed. The members of the alliance believed that the OSN should be bound by fraternal bonds, based on mutual trust and intimacy. *Inside* the board of the OSN, the members had a personal stake in the corporation in the same way they had a personal stake in their reputations and relationships with other men. The OSN owners emphasis on fraternal bonds turned board meetings in Portland into spatial gatherings with insiders and outsiders. Men such as Bradford, Ruckel, Olmstead and others could not be trusted because their quest for profits too often led them to seek council or property *outside* the confines of the OSN board room. Historian Dorothy Johansen sees personality conflicts and monetary concerns as the basis what she calls rivalry and “petty jealousies” within the OSN board. The split in the board was a function of the incorporation of the OSN itself: because the parties that entered into the OSN held unequal properties, conflict arose over the Bradford’s and Ruckel’s hesitancy to give up sole possession of their portages. In her reading, the machinations of the alliance was an attempt to secure both the entirety of the OSN dividends for themselves as well as a means of securing

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<sup>158</sup> J.W. Ladd to Simeon G. Reed, 14 June 1865, in Reed Letterbooks, vol. 1. Special Collections, Reed College.

“exclusive management.”<sup>159</sup> But when read against the backdrop of shifts in American capitalism and the spatial dimensions of entrepreneurial capitalism, the petty jealousies are revealed as major ideological divisions.

The alliance had an eye on the future as well as monthly dividends. They developed a belief that liquid capital was, like the river itself, an unstable basis for corporate domination. Ainsworth, Thompson, and Reed felt that fixed capital was, just as the portage lands and the steel rails upon it, solid and immovable in the face of opposition. It is from this vantage point that we need to judge the maneuvers of the alliance. Their methods were crooked at best and illegal at worst, but we must not confuse the entrepreneurial OSN owners with other *financial* capitalists of their day. Unlike the great stock swindlers of the gilded age, the OSN owners were entrepreneurs. They were not interested in using and manipulating the stock market for repeated gains. They wanted control. The insiders sought profit from the OSN dividends, not from OSN stock deals. Exclusive ownership gave the insiders hefty dividends, but more importantly, it allowed them to control those dividends well into the future. Never again did the alliance attempt to manipulate stock prices by deliberately producing misinformation. At no time did the alliance put their stock on the open market with the belief that they could manipulate prices for profit by controlling information. Sole ownership of the OSN afforded the alliance great income, it is true, but more importantly, the men were able to eliminate the possibility of outsiders from the fraternal bonds of their organization. The alliance that came to control the OSN were equally committed to the belief in communal, cooperative, incorporated property. They trusted in the long-term benefits of fixed over liquid capital.<sup>160</sup>

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<sup>159</sup> Johansen’s analysis of the OSN is driven by the conflict that arose from trying to incorporate private property into a corporate body. For her, the split in the board was a product of the actual incorporation itself; jealousies stemmed from the unequal distribution of stock that was a result of the prior disparities imbedded in the property holdings of the various owners before the OSN came into being. Thus, the trouble stems from a group of men with unequal property trying to incorporate into a single legal body. Individuals such as Bradford and Ruckel were unwilling, according to her narrative, to give up individual ownership of the property involved. See Dorothy O. Johansen, “Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company” (Ph.D. Thesis, University of Washington, 1941), pp. 101–107.

<sup>160</sup> Ironically, it was the alliance’s access to liquid capital from the bank of Ladd and Tilton that gave them an initial advantage over Ruckel, Olmstead, and the other original landowners.



Jealously guarding the borders of the OSN board room, the OSN owners hoped that they could more easily protect the entire landscape of their transportation monopoly. However, as we will see in the next chapter, corporate monopolies were not immune to attack. Some local entrepreneurs sought to end OSN domination of the river by bringing competition to the Columbia, while others tried to blackmail the OSN into buying them out with the threat of competition. Entrepreneurs understood that the OSN monopoly was based upon the power of the state to transform geographic information into property rights, so it was to the state apparatus that local challengers turned in their attempts to destroy, or at least profit from, the OSN.

## **2. “Constantly Recurring Antagonism”**

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### **Paper Landscapes, Property Rights and the Challenge of Local Entrepreneurs for Control of the Columbia River**

*If you attempt to monopolize the whole thing, is there not danger of constantly recurring antagonism which it might be best to avoid?*

– Jay Cooke to John C. Ainsworth, 2 March 1874<sup>1</sup>

When the OSN purchased the Oregon portage, they succeeded in obtaining all competitive property along their steamship route. By the time the “insiders” had eliminated all the other shareholders, the remaining OSN owners could claim they had privatized transportation along a common highway. The geography of the Columbia River, specifically the portages at the Cascades and The Dalles, helped capital bring the river itself under corporate domination. However, the OSN built a legal landscape that both built upon the natural obstructions in the river, and transformed property rights into monopoly rights. It was at the intersection of this legal landscape built by the actions of the OSN owners, and the physical landscape created by geologic forces and rushing water, that was the ultimate arbiter which gave the OSN its control of the river. The property titles to the portage lands were simply the foundation to that landscape, while the law—articles of incorporation, legislative acts, special corporate charters, land surveys, and court cases—provided the bricks and mortar of a capitalist space along the Columbia River. Upon its landscape of land claims the OSN built a more elaborate legal structure that strengthened its property rights along the river. For nearly two decades the owners of the OSN fought to perfect their monopolistic vision by enhancing the paper landscape at the Cascades.

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<sup>1</sup> Jay Cooke to John C. Ainsworth, 2 March 1874, in John C. Ainsworth Collection, box 12, folder 6. Division of Special Collections & University Archives, University of Oregon.

Although the OSN directors had successfully eliminated opposition *within* their corporation, there were other local entrepreneurs anxious to see the OSN monopoly broken, and the river opened to competition. The OSN board of directors fashioned a paper landscape—their special charter, articles of incorporation, vested property rights at the portages, and repeated surveys completed by civil engineers—to protect the control they held over the physical landscape. Their goal was to prove to magistrates, juries, lobbyists, and legislators that their control of the Columbia River was both right and proper. In short, the corporation tried to obscure the distinction between the physical landscape of the Cascades and the property rights that legally defined the rapids to create an unassailable monopoly at the portages that all but eliminated the possibility of competition along the river.

The distinction between the legal landscape and the physical one at the Cascades is important yet largely overlooked. Historians of the Oregon Steam Navigation Company have argued that the OSN fought to bring the rapids at the Cascades under their control in order to shore up a Columbia River monopoly. Once the ownership of those portage lands was secured from the original owners, the argument goes, so too was their domination, because it was the rapids that gave the company the power to monopolize the river's trade.<sup>2</sup> Although the physical landscape played a role in the OSN's monopoly, it was not the only landscape at work. The law governing property rights was equally important in explaining the success of the OSN. The distinction may appear a small one, and yet, investigating the story of those property rights beyond the walls of the corporate boardroom tells us something about the nature of monopolies. In this chapter I argue that control over the portages was never secure and the OSN owners fought long and hard to keep control. The very legal structure that bestowed ownership to the OSN also offered opportunities to opposition parties. We need to see the history of the OSN as the history of opposition to the company's ownership of the Cascades, both corporate and popular.

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<sup>2</sup> See Irene Lincoln Poppleton, "Oregon's First Monopoly—The O.S.N.Co.," *The Quarterly of the Oregon Historical Society* 9, no. 3 (1908): 274–304; Dorothy O. Johansen, "Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company" (Ph.D. Thesis, University of Washington, 1941); and Carlos Schwantes, *Long Day's Journey: The Steamboat and Stagecoach Era in the Northern West* (Seattle, Wash.: University of Washington Press, 1999).

Because the story of property rights is so heavily influenced by local politics and local laws, the political borders of western states and territories provide us with a useful and instructive means of organizing the history of OSN competition. First we will examine challenges in Washington Territory, where the OSN owners found local entrepreneurs closely allied with the territorial legal structure, a situation which proved unfriendly to the OSN monopoly. Instead of trying to win the battle at home, the corporate owners turned to the federal government to define its property rights and defend its control of the river. Next we will turn to a quite different situation in Oregon. Fighting Portland capitalists, the OSN board members focused their energies in the local courts as well as at the rapids themselves, where they tried to turn a dilapidated wooden tramway on the Oregon bank of the Columbia into what appeared to be a working railway. Some corporate challengers to the OSN hegemony on the river were not local at all. We will also look at the relations between the OSN and internationally financed transportation corporations. Investigating the sale of the OSN to the Northern Pacific Railroad in 1872, and Henry Villard's purchase of the OSN in 1879 helps us understand how national corporations sought not to break up the OSN monopoly, but to strengthen and purchase it! Even against large corporations, the OSN owners held their own and were not bullied, primarily because they had a monopoly on more than just the river, for they also had a monopoly on the information describing the region. These stories illustrate that monopolies were by no means guaranteed, and that corporations had to constantly refine and perfect their rights to monopolistic practices. But they also demonstrate the importance of geographic information, which often proved the ultimate arbiter in the corporate struggles for control of the Columbia River.

### **Legislating Competition in Washington Territory: Entrepreneurs, the Legislature, and Challenges to the OSN Monopoly**

Washington capitalists in Vancouver and on Puget Sound envied the OSN monopoly. In an attempt to share in the prize of upriver freight and bring competition,

Washington interests enlisted the Territorial legislature to unseat the reigning Columbia River power. This combination of capital and the state was due not only to the unique legal structure of Washington territory, but also because of the OSN's physical placement within the Pacific Northwest. Territorial sentiment held that the OSN had abandoned its obligations as a Washington company. Although the OSN had incorporated in Washington Territory, its offices and warehouses were in Portland and it routinely failed to pay taxes on its steamships, which according to its charter, should have gone to the territory. Washington capitalists took advantage of the legislature's disdain of the OSN, its unpaid taxes, and the popular outcry that the OSN had stolen the Washington bank of the river and given it to Oregon—by favoring Portland over Vancouver as its shipping depot, and effectively excluding Washington interests from the north bank portage. Corporate challengers and individual entrepreneurs alike worked with the Territorial legislature to capitalize on residents' growing discontent toward the OSN, while the company defended itself first at home, and later in nation's capital.

### *Complaints against the OSN*

Soon after the OSN obtained its charter from the Territorial legislature, that august body had grown annoyed with the corporation's actions. The OSN originally received a special charter from the Territorial Legislature in 1860 because Oregon's incorporation laws were as yet unformed, and the Washington legislature agreed to grant the steamboat men a right to operate along the Washington side of the river, as well as in Oregon.<sup>3</sup> The OSN was supposed to operate out of Vancouver, the territory's principal Columbia River port, but the town was too far upriver from the confluence of the Columbia and Willamette rivers to compete effectively with the growing settlements at Willamette Falls. Portland, on the other hand, seemed ideally located as a warehouse for both Willamette and Columbia River freight (see map 1). In addition to the fact that it was fast becoming the financial center of the region, both Reed and Ladd had residences

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<sup>3</sup> "An Act to incorporate the Oregon Steam Navigation Company," 19 December 1860. *Session Laws of the Territory of Washington: And the Resolutions and Memorials of the Eighth Regular Session of the Legislative Assembly, held at Olympia, 1860* (Olympia: James Lodge, Public Printer, 1861), p. 72.

there. Vancouver's geographic location made it a second city compared to burgeoning Portland, so the OSN board chose the latter as the company's headquarters, and made Vancouver a secondary stop on the company's Columbia River route. Passengers and freight traveling down river from above Vancouver, had to steam past Vancouver all the way to Portland, disembark, purchase a new ticket, and load again for an entirely new journey from Portland back upriver to Vancouver.<sup>4</sup>

The company's decision to favor Portland, locating the OSN warehouses and headquarters in that city, as well as bypassing the equally sizeable Vancouver, caused an uproar on the Washington side of the river. Why should Vancouver, a town equal in size to Portland, with comparable wharfage and docking facilities, be relegated to the position of a "secondary center of trade"?<sup>5</sup> Residents of Vancouver insisted that the OSN was strangling the river town by denying it both freight and emigration. The former was bad enough, but the latter was simply immoral. "To force emigrants who want to stop in Washington Territory to travel into Oregon," the *Vancouver Register* wrote, "and compel them to settle there or return here at an additional outlay of energy and money when ... they are exhausted in both, is not only unjust but unmerciful."<sup>6</sup> Vancouver residents declared this practice an "outrage upon the common rights of emigrants and others, which a company has no right to practice, except upon the principle that corporations have no souls and consequently no morals."<sup>7</sup> Territorial residents demanded that the legislature bring competition to the Cascades at the north bank, either in the form of another portage railway or a public wagon road maintained by the territorial government.

The prominence of Portland in the OSN scheme also caused company and the territory to clash over taxes. According to the OSN charter, OSN water-borne property on the lower river was liable still to taxation in Washington, not to mention the real estate at the Cascades, even though the corporation listed Portland as the home port of most of its vessels. Tax conflicts between the company and Washington territory erupted often, and

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<sup>4</sup> *Vancouver Register*, 7 October 1865.

<sup>5</sup> *Vancouver Register*, 28 October 1865.

<sup>6</sup> *Vancouver Register*, 7 October 1865.

<sup>7</sup> *Vancouver Register*, 7 October 1865.

the OSN frequently refused to pay on the grounds that the territorial tax assessors valued the corporation's property at too high a price. In 1862 the legislature tried to tighten the tax laws surrounding the OSN property. Its goal was to secure the Cascade landscape for Washington territory, to recapture the lost taxes from the portage lands and bring them back under the control of the Territorial legislature. At the annual session in January 1862, the legislators amended the OSN's corporate charter and demanded that the company "erect keep and maintain a depot at Vancouver in Clarke county W.T., at which place the office of the company shall be located, the books kept, and all business appertaining to the management of the company shall be transacted at said place."<sup>8</sup> In response to the legislature's edict, the company simply unincorporated in Washington Territory and took advantage of Oregon's newly passed incorporation law. That same year, the OSN incorporated in Oregon thus avoiding the new stipulations of the legislature's amendments and in effect abandoning Washington Territory.

There was little the Territory could do in response under its present laws. On the issue of taxes, assessors tended to consistently value OSN property at high rates, a fact which annoyed the OSN managers but did little to get them to pay their taxes. What was needed, argued legislators and resident alike, was a new set of laws to reign in the imperious excesses of the OSN. To aid them, the legislature enlisted the help of local entrepreneurs. Together, they tried to break up the OSN dominance at the Cascades and open the river to competition. They hoped to bring the Washington bank of the Columbia back to Washington Territory, to take back what Portland interests—the OSN—had so wrongly stolen. Although the legislature's actions toward the OSN were ultimately unsuccessful, they illustrate the body's intent to bring the river portages back under the control of Washington interests. Washington capitalists and entrepreneurs took advantage of the general animosity toward the company and worked with the territorial legislature to inhibit the OSN on a number of fronts.

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<sup>8</sup> "An Act to amend an act entitled 'An Act to incorporate the Oregon Steam Navigation Company,' passed December 19, 1860," 28 January 1862. *Session Laws of the Territory of Washington: And the Resolutions and Memorials of the Ninth Regular Session of the Legislative Assembly, held at Olympia, 1861-2* (Olympia: A.M. Poe, Public Printer, 1862), p. 118.

### *Response of the Territorial Legislature*

To limit the power of the OSN, the territorial legislature tried restructure both the political and economic geography a the Cascades. They passed a number of laws that were specifically designed to break up the OSN monopoly, to inhibit its power over the local government, and to encourage competition along the river.

The legislature passed a creative gerrymandering act that restructured the political geography of the Cascades, formerly located in Skamania county. The bill, “An Act in Relation to the County of Skamania,” eliminated the entire political unit responsible for administering the landscape of the portage, Skamania County, and divided its acreage between Clarke County on the west, and Klickitat County on the east.<sup>9</sup> The new dividing line between the two counties ran north-south from the Columbia River all the way to the northern border of the old county. Lands west of the line belonged to Clarke county, and lands east to Klickitat county. It was no coincidence that the act set the boundary line at the mouth of Rock Creek T2N, R7E, section 1, just upriver from upper rapids (see map 6). With the passage of the act, the portage lands belonged to Clarke County, home of the river port of Vancouver.

The gerrymandering was a response to the OSN’s undue influence in Skamania county. Some territorial residents claimed the company had essentially bought off county officers, either with outright bribes or with excessive patronage. However there is no extent evidence to support these charges.<sup>10</sup> Although the OSN might not have bribed county officials, the company’s influence in the sparsely populated county was undeniable—Skamania had only two small settlements situated at the ends of the Cascade railroad, and the county’s income came almost entirely from the OSN portage business.

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<sup>9</sup> “An Act in relation to the County of Skamania,” 18 January 1865. Territory of Washington, *Statutes of the Territory of Washington, made and passed at a Session of the Legislative Assembly begun and held at the City of Olympia on Monday the fifth day of December, 1864, and ended on Monday the Twenty-third day of January, 1865* (Olympia, Washington: T.F. McElroy, Printer, 1865), p. 46.

<sup>10</sup> See “Letter from a Prominent Gentlemen, October 1854,” printed in *Vancouver Register*, 21 October 1865; and Justin Chenoweth to the Editor of the *Vancouver Register*, 1 December 1865, printed in *Vancouver Register*, 16 December 1865.



The legislature focused on two aspects of the OSN influence in their decision to divide the county. The first was the old issue of taxes. The territorial government was still having trouble collecting taxes owed by the OSN for the company's previous two-year corporate existence in Washington territory, as well as the property it owned in Skamania county, the political unit encompassing the Cascades rapids. The OSN owed a considerable sum in back taxes, but claimed the tax assessments were too high, so they simply refused to pay. The Skamania county officials did little to collect these taxes, so the legislature sought the aid of the Clarke county administration. As part of the division of the county, the legislature demanded that "all debts due the said county of Skamania shall be collected by the proper officer of Clarke County."<sup>11</sup> Given that Clarke county was more populous, and that most of its residents resided in the town of Vancouver, and given that the OSN had consistently tried to make Vancouver just another peripheral stop along the Columbia River, the legislature hoped that the county officials would be less responsive to the influence of the OSN.

More important than the tax issue, however, was the condition of the territorial road through the Cascades, and the OSN's attempts to keep it in disrepair. When Lieutenant George H. Derby, of the Army's Corps of Topographical Engineers, completed construction of the military portage road at the Cascades in October 1856, maintenance of the road fell upon the officers and men of Fort Cascades. After the Army evacuated the post in June 1861, the Territorial government appropriated the road and declared it territorial road open to the public.<sup>12</sup> Road maintenance then became the responsibility of newly formed Skamania county, which the legislature created in 1854. Some have argued the initial creation of the county was due in no small part to the patronage of the OSN, which wanted a county whose population was limited to the settlements at the upper and lower Cascades.<sup>13</sup> In other territorial counties, officials

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<sup>11</sup> "An Act in relation to the County of Skamania," 18 January 1865. Territory of Washington, *Statutes of the Territory of Washington, made and passed at a Session of the Legislative Assembly begun and held at the City of Olympia on Monday the fifth day of December, 1864, and ended on Monday the Twenty-third day of January, 1865* (Olympia, Washington: T.F. McElroy, Printer, 1865), p. 46.

<sup>12</sup> *Vancouver Register*, 10 March 1866.

<sup>13</sup> *Vancouver Register*, 21 October 1865.

occasionally set aside tax funds for road maintenance and repairs, but it seems that the Skamania county officials generally ignored the territorial road. When the OSN built its steam railroad at the portage under the CRR charter, the company bisected the old military road and rendered it all but impassable. The *Register* reported that the CRR road placed “the isolated halves [of the old road] very much in the same condition of an unlucky snake after having been overtaken by the scythe of a mower.”<sup>14</sup>

In the minds of the legislators, the tax question and the road issue were united by the OSN’s undue influence over the Skamania county administration. Residents at the Cascades charged the OSN and county officials with squandering county road funds on a road survey whose route was so impractical the only justification for it could have been “a place to exhaust the public money.”<sup>15</sup> Territorial representatives believed that by giving the Cascades to Clarke county, county commissioners would use their road funds—possibly the back taxes owed by the OSN!—to put the old military road back in possible order. Thus in order to “secure to our people a safe guard and protection from the aggressive acts of foreign [meaning Portland!] monopolies,” the legislature tried to manipulate the political geography surrounding the portage lands and simply eliminated Skamania county.<sup>16</sup>

The OSN refused to accept this manipulation of the Territory’s political geography. In the matter of the road, the former commissioners of Skamania county, still allied with the OSN, acted as if the law had not gone into effect. Still looking to spend territorial road money, they “located a new road across the Cascade portage, preparatory to the evacuation of the present territorial road at that point.” The Vancouver *Register*, furious at the OSN and the commissioners, declared the newest boondoggle “an impracticable [road] within the limits of any reasonable expense.”<sup>17</sup>

With respect to the tax issue, the OSN turned to the courts. In November, the board members instituted proceedings in district court to test the validity of the

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<sup>14</sup> Vancouver *Register*, 7 October 1865.

<sup>15</sup> “Letter from a Prominent Gentlemen, October 1854,” printed in Vancouver *Register*, 21 October 1865.

<sup>16</sup> Vancouver *Register*, 7 October 1865.

<sup>17</sup> Vancouver *Register*, 16 December 1865.

legislature's new law.<sup>18</sup> However, the court decided in favor of the legislature and upheld it. By the following March, the sheriff of Clark county, now responsible for collecting the taxes owed by the OSN, held a writ against the OSN allowing him to seize and sell enough OSN property to meet the \$5874 owed by the company to what used to be Skamania county. Unwilling to accept this new state of things, the OSN gained an injunction against the sheriff from collecting the taxes, on the grounds that the Skamania law had not yet gone into effect!<sup>19</sup> "The ruling of the Judge," Ainsworth told Reed, "goes to show that Skamania county still has an existence."<sup>20</sup> Although optimistic, the OSN board was weary of the possible outcome.

### *Legislation and Competition*

The legislature also tried to manipulate the economic geography of the Cascades by encouraging competition along the river. They did this in concert with Vancouver entrepreneurs hoping to take advantage of the regional criticism against the OSN. The OSN's first challenge from Washington interests came from Vancouver entrepreneurs T.H. Smith and A.D. Sanders who formed the Columbia Transportation Company (CTC) in 1862.<sup>21</sup> The same legislature that tried to force the OSN to operate out of Vancouver granted Smith and Sanders a special charter calling for railroads around the Cascades and Dalles-Celilo rapids and gave the incorporators the right "to enter upon all lands and waters for the purpose of surveying and locating" the portage roads, and to "enter upon,

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<sup>18</sup> Vancouver *Register*, 4 November 1865.

<sup>19</sup> John C. Ainsworth to Simeon G. Reed, 27 March 1866, quoted in Frank B. Gill and Dorothy Johansen, "A Chapter in the History of the Oregon Steam Navigation Company: The Steamship *Oregonian*," *Oregon Historical Quarterly* 38, no. 3 (1937): 303–04, 306–07; and Vancouver *Register*, 24 March 1866.

<sup>20</sup> John C. Ainsworth to Simeon G. Reed, 6 April 1866, quoted in Frank B. Gill and Dorothy Johansen, "A Chapter in the History of the Oregon Steam Navigation Company: The Steamship *Oregonian*," *Oregon Historical Quarterly* 38, no. 3 (1937): 303–04, 306–07.

<sup>21</sup> "An Act to incorporate the Columbia Transportation Company of the Territory of Washington," 27 January 1862. *Session Laws of the Territory of Washington: And the Resolutions and Memorials of the Ninth Regular Session of the Legislative Assembly, held at Olympia, 1861–2* (Olympia: A.M. Poe, Public Printer, 1862), p. 108.

take possession of, use and occupy any land so designated for such purpose.”<sup>22</sup> The CTC was to be an indigenous—that is owned and operated by residents of Washington Territory—through-way from the sea to the interior. To insure that the new company stay in the hands of Washington capital, the legislature specified that any the transfer of “said franchise, or any agreement or combination to charge rates of transportation for freight or passengers with the ‘Oregon Steam Navigation Company’, or with any owner or owners of railroads or transportation companies on the Oregon side of the Columbia River, so as to control or monopolize the transportation of said river” would immediately make the charter void.<sup>23</sup>

Smith and Sanders were short on capital and their charter soon passed to Levi Farnsworth, a Vancouver entrepreneur hoping to assemble a stable opposition to the OSN. Farnsworth ran the screw-propellered *Celilo* on the middle river, and the side-wheel *Pioneer* on the lower river.<sup>24</sup> He intended to use the CTC charter to provide a link for his two vessels and thought he could enlist other regional capitalists to aid him. Unfortunately for Farnsworth, fellow Vancouver entrepreneurs had plans of their own and were unwilling to put their money behind the CTC. After a short rate war against the OSN and another newly formed corporation, Farnsworth fell into debt, and sold his boats to the OSN. The charter for the CTC went unused, but Farnsworth would return to challenge the OSN two years later.

Soon after the failure of the Columbia Transportation Company, two more competitors appeared. Alexander Ankeny, a Portland merchant and major landowner, San Francisco banker Peter Donohue, and a steamboat captain from Victoria named William Kohl formed a loose association known as the Washington Territory Transportation

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<sup>22</sup> “An Act to incorporate the Columbia Transportation Company of the Territory of Washington,” 27 January 1862. *Session Laws of the Territory of Washington: And the Resolutions and Memorials of the Ninth Regular Session of the Legislative Assembly, held at Olympia, 1861–2* (Olympia: A.M. Poe, Public Printer, 1862), p. 110.

<sup>23</sup> “An Act to incorporate the Columbia Transportation Company of the Territory of Washington,” 27 January 1862. *Session Laws of the Territory of Washington: And the Resolutions and Memorials of the Ninth Regular Session of the Legislative Assembly, held at Olympia, 1861–2* (Olympia: A.M. Poe, Public Printer, 1862), p. 112.

<sup>24</sup> E.W. Wright, ed., *Lewis and Dryden’s Marine History of the Pacific Northwest* (Portland: Lewis and Dryden Printing, 1895), pp. 124–25.

Company to run boats in opposition to the OSN on the Columbia. In 1864 they obtained a special charter from the legislature for the Washington Railroad Company to give their fledgling association a through portage “between suitable points ... on the navigable waters of the Columbia River above and below the Cascades.”<sup>25</sup> The same year Vancouver entrepreneurs William C. Parsons and Richard Harris obtained a special charter from the legislature for their Middle Cascade Portage Company (MCPC) for the purpose of building another portage road around the rapids. Similar to Ankeny and his associates, Parsons and Harris wanted a connection for his two Columbia sailboats, the schooner *Rover* and the sloop *Monitor*.<sup>26</sup>

The two new charters shared many of the same rights and responsibilities, as well as limitation. Both charters contained specific clauses preventing the newly formed companies from obtaining exclusive rights to the portage lands and monopolizing the routes, as the OSN had done. “This act,” both charters read, “shall not be so construed as to prevent the construction ... or use of another road or roads across the track or alongside the track of the hereinbefore specified road.”<sup>27</sup> The legislature hoped to encourage as many challengers as possible and sought to promote competition along the river.

Both the Ankeny and Parsons schemes also obtained the right, explicitly stated in their charters, to sue for condemnation and appropriation of any property necessary for the completion of their roads. The charters maintained that should either the MCPC or the

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<sup>25</sup> “An Act to incorporate the Washington Railroad Company,” 14 January 1865. Territory of Washington, *Statutes of the Territory of Washington, made and passed at a Session of the Legislative Assembly begun and held at the City of Olympia on Monday the fifth day of December, 1864, and ended on Monday the Twenty-third day of January, 1865* (Olympia, Washington: T.F. McElroy, Printer, 1865), p. 108.

<sup>26</sup> “An Act to incorporate the Middle Cascades Portage Company,” 14 January 1865. Territory of Washington, *Statutes of the Territory of Washington, made and passed at a Session of the Legislative Assembly begun and held at the City of Olympia on Monday the fifth day of December, 1864, and ended on Monday the Twenty-third day of January, 1865* (Olympia, Washington: T.F. McElroy, Printer, 1865), p. 118.

<sup>27</sup> “An Act to incorporate the Washington Railroad Company,” 14 January 1865. Territory of Washington, *Statutes of the Territory of Washington, made and passed at a Session of the Legislative Assembly begun and held at the City of Olympia on Monday the fifth day of December, 1864, and ended on Monday the Twenty-third day of January, 1865* (Olympia, Washington: T.F. McElroy, Printer, 1865), p. 113.

Washington Railroad Company deem it necessary to appropriate private property in the way of their proposed railroad, they were simply to alert the owner and institute condemnation proceedings. A judge would then select three “disinterested” persons to assess the land and fix its value, and the new roads would pay the old owner. In the meantime, however, these roads would enjoy “full power and authority before and pending all such proceedings ... to use, occupy and enjoy the peaceable and uninterrupted possession of said lands.”<sup>28</sup> The legislature did not want the OSN to enjoy exclusive possession of the portage lands, or discourage competing lines by refusing them access to the portage lands for surveying. Indeed, the competing paper landscape created by the legislature all but guaranteed competition.

The OSN turned to its usual strategy of acquisition, learned from its early battles against the portage owners, to counter Parson’s threat, but the pockets of the MCPC were deeper than the board imagined. In February, the OSN purchased Parson’s boats, thinking that he would leave the field as Farnsworth had.<sup>29</sup> But Parsons had enlisted the aid of Walla Walla banker Dr. Dorsey S. Baker, just after Parsons received the charter. Baker wanted results within a year and instituted an ambitious construction scheme. He immediately began construction on the steamship *Echo* and ordered a survey on the north bank and prepared to build a line.<sup>30</sup> Before July 1865 he approached the OSN board and asked to lease a right of way at the latter company’s portage property.<sup>31</sup> Of course the OSN refused on behalf of the Cascade Railroad Company. Parsons and his lawyer James

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<sup>28</sup> “An Act to incorporate the Middle Cascades Portage Company,” 14 January 1865. Territory of Washington, *Statutes of the Territory of Washington, made and passed at a Session of the Legislative Assembly begun and held at the City of Olympia on Monday the fifth day of December, 1864, and ended on Monday the Twenty-third day of January, 1865* (Olympia, Washington: T.F. McElroy, Printer, 1865), p. 119.

<sup>29</sup> “Oregon Steam Navigation Company Minute Book,” 14 February 1865, in Oregon Steam Navigation Company Papers. Special Collections, Reed College.

<sup>30</sup> W.W. Baker, *Forty Years a Pioneer: Business Life of Dorsey Syng Baker, 1848–1888* (Seattle: Lowman & Hanford Co., 1934), p. 90–91.

<sup>31</sup> Dorothy O. Johansen, “Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company” (Ph.D. Thesis, University of Washington, 1941), p. 129.

W. Fletcher appealed to C.C. Hewitt, the Chief Justice of the Territorial Supreme Court, and instituted condemnation proceedings.<sup>32</sup>

It seems that Hewitt shared the opinion of the legislature, and much of Washington Territory, for his actions were favorable to the OSN challengers. In condemnation proceedings, the MCPC charter mandated that a judge appoint three disinterested persons “residing in the district” to assess and appraise the land in question.<sup>33</sup> The MCPC lawyer worked to have his own hand-picked residents on the appraisal committee. “Supposing your acquaintance in the county to be somewhat limited,” Fletcher wrote to Judge Hewitt, “I present a list of fifteen ... good, honest, reliable men who will honestly discharge their duty in the premises.”<sup>34</sup> Fletcher told Hewitt that he “indicated my opinion of their fitness for the task by the order in which I have named them;” at the head of the list was Levi Farnsworth, the former president of the Columbia Transportation Company that the OSN had forced off the river. Hewitt chose the first three individuals named by Fletcher and the men appraised the portage property and they valued the right of way through the CRR land at \$1000.<sup>35</sup>

Baker quickly capitalized on the favorable assessment. He negotiated with Alexander Ankeny, one of the original incorporators of the Washington Railroad Company, and tried to get the Puget Sound capitalist to join his concern. Baker argued that the MCPC already had a favorable assessment for their right of way, and that a combination would save Ankeny the time and the legal fees necessary to get a similar appraisal. If Ankeny would put his boats into a combination with Baker’s portage road

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<sup>32</sup> James M. Fletcher to C.C. Hewitt, 22 July 1865, in Simeon G. Reed Collection. Special Collections, Reed College. When the OSN acquired the Cascade Railroad Company from Bradford, the Oregon company never dissolved the portage railway company, choosing instead to hold its stock. Although there was a legal separation between the two concerns, the OSN board treated the CRR as if it were every bit a part of the OSN.

<sup>33</sup> “An Act to incorporate the Middle Cascades Portage Company,” 14 January 1865. Territory of Washington, *Statutes of the Territory of Washington, made and passed at a Session of the Legislative Assembly begun and held at the City of Olympia on Monday the fifth day of December, 1864, and ended on Monday the Twenty-third day of January, 1865* (Olympia, Washington: T.F. McElroy, Printer, 1865), p. 118.

<sup>34</sup> James M. Fletcher to C.C. Hewitt, 22 July 1865, in Simeon G. Reed Collection. Special Collections, Reed College.

<sup>35</sup> *Vancouver Register*, 4 November 1865

and the *Echo*, the company stood a fair chance of opposing the OSN. Ankeny realized that Baker had the capital to successfully prosecute the MCPC scheme and not long after, Ankeny bought out most of Parsons's share in the corporation. With the new influx of capital, Baker and Ankeny began construction of their line at the Cascades building bridges and trundle work.<sup>36</sup>

The MCPC was hailed by Washington interests. The *Vancouver Register* argued that the new company "will wrest from the hands of the unscrupulous monopoly the means which so long have been obstructing the great main artery of commerce to the general detriment of our territory."<sup>37</sup> Although it took deep pockets, it appeared to the MCPC officials that opposition to the OSN was indeed possible. The company worked hard to use the law and public opinion in their quest for profit. But the same legal code which aided them in their challenge, was remarkably malleable, for the OSN tried to use it also in their defense.

#### *OSN Lawyers Respond*

The OSN also used legal means to defend its portages, and more often than not, the company was more successful than its challengers. Most important to the OSN strategy was not the nature of the law itself, but the nature of the courts. With a salaried legal staff, lawyers on retainer, and the ability to pay for months, if not years of legal work, the OSN was powerfully effective killing corporate challenges with inactivity.

In response to the condemnation proceeding, Bradford, as nominal head of the Cascade Railroad Company, appealed the decision arguing that the \$1000 valuation was irregularly assessed and that the MCPC charter was invalid. Although the district court upheld the condemnation decision, and declared the MCPC charter to be valid. Bradford appealed yet again and the suit went to the supreme court of Washington Territory where it indefinitely waited hearing.<sup>38</sup> In March 1866, Ainsworth "succeeded in obtaining an Injunction against the 'Middle Cascade Portage Comp'y' restraining them from digging

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<sup>36</sup> *Vancouver Register*, 4 November 1865

<sup>37</sup> *Vancouver Register*, 4 November 1865

<sup>38</sup> *Vancouver Register*, 4 November 1865



in our slopes.”<sup>39</sup> Baker tried annul the OSN injunction by arguing that the company invalidated the Cascade Railroad Company charter by crossing the old military portage road as well as the lands of Fort Cascades. In April 1866, Judge Hewett, Chief Justice of the Washington Territory Supreme court heard the MCPC application to dissolve the OSN injunction, but Strong, for the OSN, argued that the OSN articles of incorporation did not deny or limit the OSN portage to open lands in the public domain only. Hewett delayed judgment and traveled to the Cascades to examine the matter himself. but even by April it was still tied up in the courts.<sup>40</sup>

Legal avenues turned out to be a double-edged sword for OSN challengers: the very instrument which could grant opposition a right of way could also delay the possibility of competition all together. Bradford told Thompson that “I have contended all the time we should worry them with [the] law. What is a few thousand to us for law. Pile it on to them all the time, it will distract their attention and lead them to believe fighting a corporation is uphill work.”<sup>41</sup> Similarly, Ladd wrote to Ainsworth that he hoped the company “will lead Baker and his crowd a ‘merry string’ in law before you get through with them.”<sup>42</sup> Although Washington interests were generally allied against the OSN, the monopoly could still take advantage of the very nature of the courts to stymie opposition. With a salaried legal staff and a large sinking fund to cover operating expenses, the OSN could afford to use the slow-moving courts to tie up other companies, delay their construction and opposition, and generally induce a stalemate in most challenges. Such a situation favored the OSN as it could still run its boats and make a

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<sup>39</sup> John C. Ainsworth to Simeon G. Reed, 27 March 1866, quoted in Frank B. Gill and Dorothy Johansen, “A Chapter in the History of the Oregon Steam Navigation Company: The Steamship *Oregonian*,” *Oregon Historical Quarterly* 39, no. 3 (1938): 303; see also *Vancouver Register*, 24 March 1866.

<sup>40</sup> See John C. Ainsworth to Simeon G. Reed, 6 April 1866, quoted in Frank B. Gill and Dorothy Johansen, “A Chapter in the History of the Oregon Steam Navigation Company: The Steamship *Oregonian*,” *Oregon Historical Quarterly* 39, no. 3 (1938): 303.

<sup>41</sup> Daniel F. Bradford to R.R. Thompson, in Reed Letterbooks vol. 1. Simeon G. Reed Collection. Special Collections, Reed College.

<sup>42</sup> J.W. Ladd to J.C. Ainsworth, 20 April 1866, in “Oregon Steam Navigation Company file.” Simeon G. Reed Collection. Special Collections, Reed College.

profit, whereas, in the case of the MCPC, Baker and Ankeny were forced to wait until the supreme court made its decision.

In addition to the courts, the OSN sent lobbyists to the territorial legislature in a failed attempt to convince the legislators to side with the company. The OSN board truly believed that the territorial representatives would be sympathetic to their case, but they were sorely mistaken.<sup>43</sup>

The OSN employed John W. Brazee as an official lobbyist for the December 1865 session of the territorial legislature. Brazee, who had political ambitions, was also the superintendent of railroad construction for the OSN and the chief engineer at the Cascades. As a civil engineer from Portland, he had been at the Cascades for nearly a decade and had run the survey and designed the portage tramway on the Oregon side. In 1865, he ran for a position in the legislature. The outcome of the election was contested by both candidates, so he traveled to Olympia where the legislature ultimately ruled in favor of his opponent. Brazee, however, stayed in Olympia as an official representative of the OSN.<sup>44</sup> Allied against him were the representatives of Clark county—H.K. Hines, the editor of the *Vancouver Register* a Democratic paper staunchly opposed to the OSN; and Levi Farnsworth, the riverboat captain who had recently levied such a low appraisal of the land at the Cascades during the MCPC condemnation proceedings. The OSN had little to look forward to.

Brazee pushed three bills which tried to eliminate the legal separation of the OSN and the CRR. As it was, the Oregon corporation simply owned the charter for the CRR and managed its daily affairs. Although the board purchased the charter from Bradford in 1862, the action was never approved by the territorial legislature, the arm of the state that actually granted the charter in the first place. The purchase was not illegal, but neither had the legislature sanctioned it. Brazee's bills, the first to empower the CRR to transfer its rights under the charter to the OSN, the second to amend the CRR charter, and a third to legally sanction the OSN purchase of the CRR, tried to fully incorporate the CRR

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<sup>43</sup> Why the OSN owners thought they could curry the favor of the legislators is confusing, considering it was that body that had so recently passed a slough of laws in direct opposition to the OSN.

<sup>44</sup> *Vancouver Register*, 26 May 1866.

rights, privileges, and property into the Oregon corporation. The Vancouver delegates took advantage of the legislature's mood toward the OSN's back taxes and convinced their fellow representatives to table all three bills.<sup>45</sup>

The Vancouver interests did not confine their actions against the company to Brazee's bills, for they convinced the legislature to pass yet another law encouraging the creation of yet another portage road at the Cascades! Frustrated by the OSN's ability to impede the progress of the various private schemes sanctioned by the legislature, Farnsworth pushed an appropriations bill that set aside \$1000 from the "Territorial Treasury for the improvement of the road from the upper Cascade landing to Vancouver;" Farnsworth himself was the commissioner in charge of superintending the new road.<sup>46</sup> Brazee identified his opponents as working on behalf of the city of Vancouver and Clark county, and claimed that "untill [sic] a different body represents the Columbia River nothing can be done."<sup>47</sup>

When Baker and company continued to press their case against the OSN injunction the board finally capitulated and bought the charter and rights of the MCPC to, as Reed's wrote, "close up that little 'gap' at the Cascades."<sup>48</sup> The board knew they could use the courts to prolong the challenge, but were concerned that Baker and Ankeny together had sufficient capital to pose a serious legal threat. In the end, the MCPC was an investment for Baker and Ankeny. With the a decent amount of capital (enough to prove to the OSN that a credible legal battle could be fought), and the proper public opinion, an entrepreneur would see a sizable return on his investment. Although the OSN could surely have fought the MCPC in courts for some time, they preferred to end the battle quickly, once they realized that Baker and Ankeny were a credible threat.

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<sup>45</sup> Vancouver *Register*, 20 January 1866.

<sup>46</sup> Vancouver *Register*, 3 February 1866.

<sup>47</sup> John W. Brazee to Simeon G. Reed, 11 January 1866, in Reed Letterbooks, vol. 1. Special Collections, Reed College. See also Vancouver *Register*, 20 January 1866.

<sup>48</sup> Simeon G. Reed to John C. Ainsworth, 12 May 1866, in "Oregon Steam Navigation Company file," Simeon G. Reed Collection. Special Collections, Reed College. It was not until September that the deal was complete and the OSN had, according to Ainsworth "gobbled up the Middle Cascade Portage Railroad." See John C. Ainsworth to Daniel F. Bradford, 6 September 1866 quoted in Frank B. Gill and Dorothy Johansen, "A Chapter in the History of the Oregon Steam Navigation Company: The Steamship *Oregonian*," *Oregon Historical Quarterly* 38 no. 4 (1937): 402.

The surest way to victory in the case of the MCPC, was to purchase the company outright. On the surface, this option seems in keeping with the general OSN strategy of acquisition, but a closer investigation reveals an important distinction between the acquisition of charters and the acquisition of property. To Ainsworth, Thompson, and Reed alike, the purchase of a charter with no intent to make good on the rights and privileges it contained, seemed an outrageous waste of company funds, whereas the purchase of opposition boats, real property, was an actual material gain in fixed capital. The OSN could always incorporate more boats into their system of steamboats and railways. The purchase of the MCPC charter was the last instance of the company expending funds on paper rights simply to silence opposition.

#### **“A Power Above Them”: Local Challenges, the OSN, and Congress**

When the OSN bought the MCPC, they might have silenced Baker and Ankeny, but the company was still open to similar attacks at the portage by ambitious entrepreneurs and by the territorial government. What was worse, by purchasing a charter with no property behind it, the OSN might even encourage less scrupulous, and less ambitious entrepreneurs—the company called them blackmailers—to create corporations for the sole purpose of forcing the OSN to buy them out and silence the challenge. The company knew that it was relatively easy for a local entrepreneur to manipulate the legislature’s antagonism toward the OSN, and obtain a special charter for an opposition road. In addition, the board still had to deal with the Skamania county division, and it appeared as if the courts might not rule in their favor. In the eyes of the board, possibilities for defense in the Pacific Northwest appeared to be drying up, whereas the possibilities for future opposition seemed torrential. The board decided that only the federal government, especially the Oregon representatives in Congress, might be sympathetic to the plight of the OSN, so the company looked east to obtain federal security for their north bank monopoly.

In the spring of 1866, the company sent Reed to Washington, D.C., to obtain congressional sanction of the company's exclusive rights to the portages. Reed attacked on two fronts to silence the territorial government. First, he intended to secure the north bank against further empty challenges. With respect to the arguments presented by the MCPC, the board sought recognition of the Cascade Railroad Company charter as well as a defense against those attacks based upon the road's location through the military reserve on the north bank. In order to fully eliminate the possibility of the legislature from meddling in the company's affairs, however, Reed employed a second front. To eliminate the special sanctions granted by territorial legislature, he intended to alter the very nature of the territorial laws governing corporations.

With the help of the Oregon congressional delegation, Reed gained entry into the elite circles of the Republican party. His primary asset was his position as a successful transportation entrepreneur. A group of House Republicans, interested in extending the Northern Pacific Railroad to the Pacific coast including Schuyler Colfax, Speaker of the House, James Ashley, chairman of the House Committee on Territories, Robert Schenk, chairman of the House Committee on Military Affairs, and John Rice, who later became the vice president of the road, recognized Reed and the OSN as a valuable asset in the completion of the Northern Pacific. These men supported the OSN legislation, and hoped that Reed would reciprocate when it came time to build in the Pacific Northwest.<sup>49</sup> The legislators, along with Senators Williams and Nesmith from Oregon, managed to introduce three bills in Congress on behalf of the company.

### *Securing Cascade Property Rights*

The first two of Reed's bills dealt directly with the nature of the OSN property rights at the Cascades. He referred to his first legislative endeavor as the Cascade bill. It sought to make the Cascade Railroad Company's right of way through the military reservation on the Washington side a grant from Congress, thus insuring that portion of

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<sup>49</sup> Dorothy O. Johansen, "Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company" (Ph.D. Thesis, University of Washington, 1941), p. 138.

the landscape against further attacks from a united local legislature and local entrepreneurs. In addition, the bill also gave congressional approval to the special charter that the OSN had received from the territorial legislature and declared it valid. Reed testified for the bill in front of the Committee on Military Affairs. Afterwards, he gleefully told Ainsworth that “Mr. Schenk the chairman took the bill under consideration (although not in regular order) ... and assured us he would *not* delay the bill ... but would forward it ... and report *favorably* on its passage.”<sup>50</sup> Less than two weeks later the bill had become a law.<sup>51</sup>

Reed’s second bill was directed not at other corporate challengers, but at the territorial government. With the CRR special charter secured by an act of Congress, Reed wanted to stop future legislative sessions from granting similar charters. “We must leave ‘no stone unturned,’” Reed told Ainsworth after the Cascade bill had passed, “to effectually wipe out those parties.”<sup>52</sup> Reed used his connections with Ashley to accomplish his task. When the two met, Ashley was working up a bill to amend the organic acts of several of the different territories, the primary purpose of which was to secure the elective franchise for all male territorial residents regardless of race. Reed convinced Ashley to include a section limiting the ability of territorial legislatures to grant special charters (ostensibly because they give too much power to the corporations they create!). When Ashley introduced the bill in May, the first clause mandated that “legislative assemblies of ... the Territories ... shall pass no special acts conferring corporate powers...; all special charters granted by any of the legislative assemblies ... herein named to associations which have not been organized are hereby declared void,” and any charter which granted exclusive rights to any part of the public domain was also void.<sup>53</sup> Reed argued that the bill “would stop the W.T. Legislature from granting special

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<sup>50</sup> Simeon G. Reed to J.C. Ainsworth, 29 March 1866, in “Oregon Steam Navigation Company file,” Simeon G. Reed Collection. Special Collections, Reed College; emphasis in the original. See also *Congressional Globe*, 39<sup>th</sup> Cong., 2<sup>nd</sup> sess.: 472; and *Vancouver Register*, 14 April 1866.

<sup>51</sup> 14 Stat. 31. “An Act to grant the Right of Way to the ‘Cascade Railroad Company’ through a Military Reserve in Washington Territory,” 10 April 1866.

<sup>52</sup> Simeon G. Reed to J.C. Ainsworth, 12 May 1866, in “Oregon Steam Navigation Company file,” Simeon G. Reed Collection. Special Collections, Reed College.

<sup>53</sup> For the entire text of the bill, see *Congressional Globe*, 39<sup>th</sup> Cong. 2<sup>nd</sup> sess., pt. 3: 2600.

franchises, and with the Baker and Parsons Charter out of the way, we will have little to fear hereafter.”<sup>54</sup> But, after the bill had passed in the House of Representatives, the language had changed and Reed was concerned that if it passed the Senate unaltered, it might “put it in the power of the W.T. Legislature to annoy us.”<sup>55</sup>

Reed lobbied in the Senate for amendments to narrow the bill’s focus to the granting of *future* special charters. Senator Williams promised to alter the bill and remove the clauses which might damage the various OSN charters.<sup>56</sup> When the bill was reported in the Senate, Reed told Ainsworth that the Committee on Territories had amended it “striking out all the sections that would be anywise obnoxious to our company.”<sup>57</sup> Still, there was the chance that if passed, the clauses created in the House would trump the Senate’s language. As luck would have it, debates over of the fourteenth amendment which would eliminate race as a criteria for the elective franchise, took precedence over the territorial bill as conceived by Ashley.<sup>58</sup> The old one was dropped, and in January 1867, with the help of Reed a new territorial bill was introduced. Gone were the franchise elements of the bill as well as the power to declare void any special charters already granted. The primary impulse of the new bill was judicial reform in Montana territory, but it also contained a clause that eliminated the ability of any territorial legislature to “grant private charters or special privileges” to corporations.<sup>59</sup> When Congress debated the bill that spring, the only objectionable clauses were those relating to the salary increases of Montana judges, which Oregon Senator Williams, a former western territorial judge himself, explained were just.<sup>60</sup> The bill passed easily and became law that

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<sup>54</sup> Simeon G. Reed to J.C. Ainsworth, 12 May 1866, in “Oregon Steam Navigation Company file,” Simeon G. Reed Collection. Special Collections, Reed College.

<sup>55</sup> Simeon G. Reed to J.C. Ainsworth, 30 May 1866, in “Oregon Steam Navigation Company file,” Simeon G. Reed Collection. Special Collections, Reed College.

<sup>56</sup> Simeon G. Reed to J.C. Ainsworth, 30 May 1866, in “Oregon Steam Navigation Company file,” Simeon G. Reed Collection. Special Collections, Reed College.

<sup>57</sup> Simeon G. Reed to J.C. Ainsworth, 30 May 1866, addendum of 1 June 1866, in “Oregon Steam Navigation Company file,” Simeon G. Reed Collection. Special Collections, Reed College.

<sup>58</sup> See Dorothy O. Johansen, “Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company” (Ph.D. Thesis, University of Washington, 1941), pp. 138–43.

<sup>59</sup> 14 Stat. 426. “An Act amendatory of ‘An Act to provide a temporary Government for the Territory of Montana,’ approved May twenty-six, eighteen hundred and sixty-four,” 2 March 1867.

<sup>60</sup> *Congressional Globe*, 39<sup>th</sup> Cong., 2<sup>nd</sup> sess., pt. 3: 1817.

spring. For the OSN, the only important element of the bill was that it eliminated any Territorial Legislature's ability to grant special charters and legislate special clauses on general articles of incorporation. No longer could the legislature create a corporation for the sole purpose of annoying the OSN, nor could it dictate to whom a corporation could be sold or with whom it could make traffic agreements.

### *Reversing the Skamania Law*

With the CRR charter and the company's privileges on the north bank relatively secure from entrepreneurial attack, Reed sought a legislative defense for the Skamania act. He set his sights on the territorial government in order to accomplish two things. First, Reed wanted the Skamania law repealed because it limited the OSN's power at the Cascades. But he also wanted to demonstrate to the Washington Territorial legislature that the OSN was big enough to step outside of the Northwest for protection. Reed wanted nothing less than to prove to the officials of Washington Territory that the OSN was literally above their law.

When Congress created Washington Territory, it reserved the right to annul any act of the territorial legislature that was inconsistent with the constitution.<sup>61</sup> Reed hoped he could convince Congress to act on this clause and annul the action of the territorial legislature, thereby eliminating the annoying legal proceedings brought on by the Clarke county tax assessors, as well as placing the issue of a territorial road back in the hands of Skamania county officials. Getting all of Congress to listen to one Oregon entrepreneur was nearly impossible, so Reed once again turned to his Republican associates. Representative John Rice from Maine introduced a bill to annul the Territorial legislature's Skamania bill. It was read twice and reported to the Committee on Territories where Reed testified on it.<sup>62</sup> He went before the committee with "a memorial together with a sort of history or statement of the case" which he wrote with the Secretary

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<sup>61</sup> See 10 Stat. 172, "An Act to Establish the Territorial Government of Washington," 2 March 1863.

<sup>62</sup> See *Congressional Globe*, 39<sup>th</sup> Cong., 2<sup>nd</sup> sess., pt. 3, p. 2439.



of Washington Territory Elwood Evans.<sup>63</sup> Both Rice and Ashley were willing to support Reed, but were somewhat unwilling to set a precedent for overturning territorial acts without at least some support from the territorial delegate.

Arthur Denny, the territorial delegate from Washington Territory opposed the OSN's attempts to overrule the territorial legislature. He refused to give his consent to the Committee on Territories and it appeared that Reed's Skamania bill would be stuck in committee. However, Reed soon learned that Denny himself introduced a bill asking for biennial sessions of the legislature and for a pay raise for many territorial officials. The House already had passed Denny's bill but it was currently being reviewed by the Senate Committee on Territories. While there, Sen. Williams from Oregon convinced the committee chairman, the influential Ohio Republican Benjamin Wade, to amend the bill with a clause disapproving the Skamania county split. When the Senate passed the amended bill and referred it back to the House, Denny decided not to oppose the amendment for fear that it might jeopardize the bill's chances in the Senate. As a result, the House concurred and the bill became law in late June.<sup>64</sup> "This will undoubtedly be welcome news to the Company," Reed told Ainsworth upon the bill's passage, "and in connection with the Cascade RRoad Bill a 'bitter pill' for our friends in W.T. and hereafter the Legislature of that Territory will be reminded that there is 'a power above them.'"<sup>65</sup>

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By the time Reed had finished his tasks in Washington, the OSN had contained the MCPC threat and closed off a major avenue for other entrepreneurial challenges. The board no longer had to worry about the legislature passing special charters, but other entrepreneurs could still incorporate under the territory's general laws and threaten the OSN monopoly. In November 1866, Ainsworth, Thompson, Reed, and Ladd transferred the stock of the Cascade Railroad Company, which was currently owned by the OSN

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<sup>63</sup> Simeon G. Reed to J.C. Ainsworth, 30 May 1866, in "Oregon Steam Navigation Company file," Simeon G. Reed Collection. Special Collections, Reed College.

<sup>64</sup> 17 Stat. 77. "An Act amendatory of the organic Act of Washington Territory," 29 June 1866.

<sup>65</sup> Simeon G. Reed to J.C. Ainsworth, 29 June 1866, in "Oregon Steam Navigation Company file," in Simeon G. Reed Collection. Special Collections, Reed College.

corporate body, to themselves, “for the more convenient management” of the portage railway.<sup>66</sup> Finally, the board drew up a formal agreement between the Middle Cascade Portage Company and the OSN: upon completion of the MCPC, the OSN agreed to lease the former road for a sum of \$3000 per month.<sup>67</sup> The agreement was a kind of bond between the two companies should any new corporations arise and demand condemnation of either the OSN or the MCPC land. As a last resort, the OSN could finish the MCPC, begin hauling freight across the new road, and illustrate to a judge or jury that competition already existed on the north bank. Historian Dorothy Johansen argues that once the OSN had dealt with challenges from Washington Territory “the Portland-Dalles route was considered secure.”<sup>68</sup> However, when we look south to the Oregon bank, a different story emerges. Just because the OSN was an Oregon corporation it does not follow that Oregon entrepreneurs were any more willing to succumb to an OSN monopoly on the river. Indeed, challenges from Oregon plagued the entire history of the corporation.

### **“Quasi Public Bodies”: Oregon Entrepreneurs, the OSN, and the Courts**

The company’s ownership of the Oregon side of the portage was much more tenuous than its north bank counterpart. The OSN rarely used the portage on the Oregon side, a fact which invited challenges similar to those of Washington entrepreneurs. But challenges from Oregon entrepreneurs were governed by of a different set of circumstances: the south bank portage was located within the political domain of Oregon, a state not a territory like Washington; also, the official OSN policy was to *not* use the portage but simply hold the property rights to the south bank in order to secure their monopoly. Leading the assault against the company from Oregon shores was William W.

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<sup>66</sup> “Oregon Steam Navigation Company Minute Book,” 5 November 1866, in Oregon Steam Navigation Company Papers. Special Collections, Reed College.

<sup>67</sup> “Oregon Steam Navigation Company Minute Book,” 3 December 1866, in Oregon Steam Navigation Company Papers. Special Collections, Reed College.

<sup>68</sup> Dorothy O. Johansen, “Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company” (Ph.D. Thesis, University of Washington, 1941), p. 143.

Chapman, a tenacious Portland lawyer who went on to antagonize nearly every successful transportation scheme built along the Columbia River. Similar to his counterparts in Washington territory, Chapman's initial challenge played on public sentiment. Unfortunately for Chapman, his pockets were not as deep as the Vancouver entrepreneurs, a fact which the OSN ruthlessly exploited in court.

Chapman's scheme, and the OSN's defense, depended on how different Oregonians defined the OSN property. Was it necessary to the company's business? Or was it better left to the public domain? These kinds of questions ultimately were decided by the courts, and the story of Chapman's challenge illustrates the limitations of a legal code structured to encourage competition. In theory, Oregon law all but outlawed monopoly, a fact which gave Chapman's scheme much promise. In practice, however, the ability of the OSN to carry out a protracted legal battle meant that only the most well capitalized challengers could enter the field of competition. In addition, it demonstrates that what was at stake on the Oregon shore at the Cascade rapids, was not the landscape itself, but the legal definition of it.

Chapman was born in Virginia in 1808, moved to Iowa as a young man, and came overland to Oregon in 1847. He fought in the Oregon Indians wars in the mid 1850s, and was a powerful member of the Democratic party in Oregon despite the outbreak of the Civil War.<sup>69</sup> Chapman was well versed in turning public opinion into political gain, and in the mid 1860s, he sought to capitalize on growing sentiment against the OSN and its total domination along the river.

### *The Oregon Cascade Railroad Company*

In December 1866, Chapman incorporated the Oregon Cascade Railroad Company (OCR), along with F.J. Carter, John B. Price and Oregon Senator John H. Mitchell. The company had the right to construct, equip, and operate a portage railway on

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<sup>69</sup> Elwood Evans, *History of the Pacific Northwest: Oregon and Washington*, vol. II . (Portland: North Pacific History Company, 1889), pp. 254–69.

the Oregon bank of the Columbia at the Cascade Rapids.<sup>70</sup> In December, the new corporation sent an engineer to survey the proposed route, much of which ran along the OSN property at the Cascades. When the board learned of the activity, Ainsworth was furious. Fresh from the victory over the MCPC, he was in no mood to deal with further challenges. Ainsworth wrote to Joseph Bailey, the lonely OSN superintendent of the Oregon portage, and told him that “Mr. Neyce ... went to the Cascades yesterday ... for the purpose of locating a railroad on the Oregon side at the Cascades. I write this to say that if Mr. Neyce attempts in any way to interfere with our road we shall expect you to boot him off the premises.” Ainsworth, explained angrily that “We are tired of paying blood money to such men as Mr. Neyce and his associates. If he in any way interferes with our property, order him off and if he refuses make it rough for him.”<sup>71</sup> Although Bailey did not “make it rough” for anyone, Ainsworth’s angry orders give us an indication of what was really important at the Cascades—not the property itself, but knowledge of it.

The OCRR scheme depended on detailed geographic knowledge. Chapman needed a right of way over the OSN lands at the Cascades to successfully prosecute his road, but as we saw in chapter 1, the OSN held firm property rights to all the land at the Cascades suitable for a portage road. There were two ways in which Chapman could obtain that right of way: first, he could negotiate with the OSN and purchase a right of way, a course which appeared unlikely given Ainsworth’s strict orders. If the OSN refused to cooperate and sell the OCRR the right of way it required, Chapman could institute condemnation proceedings for a right of way across the OSN lands. The Oregon incorporation law of 1862—the same law under which the OSN was incorporated—held that corporations may “appropriate so much of said land as may be necessary for the line of such road...not exceeding sixty feet in width, but not such appropriation shall be made until compensation therefore be made to the owner thereof.” Should the two parties

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<sup>70</sup> “Notes,” H. Tyndale, in Henry Villard Business Papers, box 31, folder 259. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>71</sup> J.C. Ainsworth to Joseph Bailey, 20 December 1866, quoted in Frank B. Gill, “Oregon’s First Railway: The Oregon Portage Railroad at the Cascades of the Columbia River,” *Oregon Historical Quarterly* 25, no. 3 (1924): 221–22.

disagree as to the value of the land, “such corporation [seeking a right of way] may maintain an action in the circuit court of the proper county against such owner for the purpose of having such lands appropriated to its use and for determining the compensation to be paid to such owner therefore.”<sup>72</sup> In either case, the OCRR needed to establish the geographic, or rather cartographic, dimensions of the lands it needed so that they could negotiate with either the OSN or the courts.

The same law which governed condemnation proceedings also gave transportation corporations the right to enter private lands “for the purpose of examining, locating and surveying the line of such road.”<sup>73</sup> In January 1867, Chapman sent a survey crew to the Cascades to locate the OCRR line. Ainsworth was unimpressed, both by Chapman’s scheme and the laws under which the lawyer initiated it. “I understand the new railroad company recently organized in Portland for the purpose of appropriating the company’s road at the Cascades are about to send a party up to make a regular survey,” he wrote to Bailey in January. This time, instead of bodily removing the surveyors, Ainsworth directed the superintendent to “collect toll from each one if they cross Tooth Bridge. Don’t fail in this. You will also order them not to survey the road occupied by us.”<sup>74</sup> Whether Ainsworth simply intended to annoy the OCRR or intimidate them is unclear. He certainly intended to apply the OSN property rights to their fullest, including charging a toll on surveyors who crossed the company’s portage bridge. Ainsworth’s threats failed to dissuade Chapman, and by 1869, the OCRR had completed its survey and was pressing for expropriation in the courts.

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<sup>72</sup> “An act providing for private incorporations and the appropriation of private property therefore,” 14 October 1862. In State of Oregon, *Organic and Other General Laws of Oregon: Together with the National Constitution, and Other Public Acts and Statutes of the United States. 1843–1872* (Salem, Oregon: Eugene Semple, State Printer, 1874), p. 530.

<sup>73</sup> “An act providing for private incorporations and the appropriation of private property therefore,” 14 October 1862. In State of Oregon, *Organic and Other General Laws of Oregon: Together with the National Constitution, and Other Public Acts and Statutes of the United States. 1843–1872* (Salem, Oregon: Eugene Semple, State Printer, 1874), p. 530.

<sup>74</sup> J.C Ainsworth to Joseph Bailey, 20 January 1867, quoted in Frank B. Gill, “Oregon’s First Railway: The Oregon Portage Railroad at the Cascades of the Columbia River,” *Oregon Historical Quarterly* 25, no. 3 (1924): 221–22.

### *Geographic Knowledge and the Courts*

In December 1869, Chapman filed a condemnation suit in the Multnomah County court for a right of way across the OSN property at the Cascades. The trial was a curious and confusing combination of two legal actions. Judge J. Upton presided and informed the jury of the circumstances of the trial. First, the jury needed to decide whether or not the OSN land could be legally condemned, that is, did the land sought by Chapman meet the demands of expropriation under the Oregon incorporation law. If the jury felt that the OSN lands were liable to appropriation, Upton told the jury that they would have to assess damages and place a value on the land irrespective of Chapman's intention to build a road on the site (the two actions should have been dealt with in two separate trials, but the litigants agreed to combine them). The result illustrates the importance of the state in determining the limits and implications of geographic knowledge.

When the trial convened that winter, Judge Upton informed the jury of their many tasks, and then immediately sent them out of court. After the judge gave the jury directions, he dismissed them and sent them—on an OSN steamboat—to the Cascades to view the property in question. “The object of this view,” Upton told the jury, “is to make you acquainted with the land that is sought to be condemned or appropriated, and with the country surrounding it, that you may be the better enabled to judge the situation of the parties and their property, and the rights that may be affected by the result of the action.” He charged the jury to consider the “premises in question, the particular lands claimed by the plaintiff, and the lines and the monuments of the survey of the premises ... and the geography of the surrounding country.”<sup>75</sup> The jury traveled to the Cascades and upon their return, the trial began.

Chapman's suit rested on three distinct, but related assertions, each of which he ultimately failed to sustain in front of the jury. First, he argued that the OSN was not legally endowed with rights to control both portages along the Columbia and thereby deny other corporations access to the portage lands. He claimed that the two roads were

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<sup>75</sup> “The Oregon Cascade R.R. Co. v. Joseph Baily [sic], Defendant, and the Oregon Steam Navigation Co., Intervenor,” in State of Oregon, *Oregon Reports*, vol. 3, 1867–1872 (Salem, Oregon: State Printer, 1880), p. 168.

redundant; that one of them, the Oregon portage, was simply not an integral link in the company's system. His definitions of necessity and redundancy rested on his perceptions and description of the company's property. On one hand, the company owned and operated a first-class, steam-powered, portage railroad on the Washington side of the river whose freight and passenger capacity was so great, that any other road was not necessary. As proof, he gave the jury the Oregon road, which Chapman described as a dilapidated, nearly abandoned tramway that the company had ignored in favor of the north bank road, over which crossed nearly all freight and passengers.

Chapman's second argument grew out of his first: he claimed that the OSN had abandoned the Oregon portage and had given up all intention of using the tramway. Finally, the redundancy of the portage property, and its apparent disuse, Chapman argued, illustrated that the company held the property simply to maintain a monopoly and eliminate competition. The OSN had refused to negotiate a price for the unused land and sell it to Chapman, proof, the lawyer argued, that the Oregon portage was a strategic property, not a necessity. Because the portage was not necessary to the company's system, Chapman argued, the jury would have to condemn it.<sup>76</sup> He could only hope the jury would agree.

The OSN countered Chapman's dizzying array of charges with a fairly straightforward defense: the company simply denied Chapman's assertions. First, OSN attorney William Strong argued that the OSN articles of incorporation did not limit the number of portage operations in which the company could engage. Indeed, the articles did not limit the company's portage roads in any way. "The object of this incorporation and the business in which it proposes to engage," article three of the OSN articles of incorporation stated "is the navigation by steam and otherwise of the Columbia River and its tributaries, and all other navigable waters, sea and inland, wherever it may be deemed expedient." In order to accomplish this task, the articles authorized the OSN "to construct, purchase, maintain and operate any railroad or roads, ... [or] plank roads, ...

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<sup>76</sup> "The Oregon Cascade R.R. Co. v. Joseph Baily [sic], Defendant, and the Oregon Steam Navigation Co., Intervenor," in State of Oregon, *Oregon Reports*, vol. 3, 1867–1872 (Salem, Oregon: State Printer, 1880), 171–172.

for the purpose of transporting freight or passengers across any portages on the line of navigation upon any stream or other waterway which the said corporation may be navigating ... and to purchase and own ... all real and personal property of every name and nature that may be deemed necessary to the interests of said corporation in the prosecution of the business above referred to.”<sup>77</sup> Because the OSN was an incorporated body legally chartered under the general incorporation law of Oregon, and because its articles of incorporation clearly indicated that the company had the right to operate as many portages as were necessary to the business of the company, Strong argued that the OSN ownership of the Oregon portage was indeed legal.

The trial hung on the jury’s appreciation of the Oregon portage as an essential link in the OSN Columbia River system. Chapman claimed that a simple examination could indicate that the company did not use the portage. Strong countered both charges of redundancy and abandonment by calling witnesses who testified that the OSN did indeed use the Oregon portage during seasons of heavy traffic, and therefore that the road was not abandoned.<sup>78</sup> With these arguments, the OSN attorneys felt that they had illustrated to the jury that their property was not liable to condemnation. The question of damages, however, was slightly more complex.

During the trial, the OSN attempted to silence or at least delay all discussion of damages and value. If in the course of the trial Chapman could get the OSN to put a price on the land, he would already have won the first part of his case, for an OSN declaration of value was akin to an acknowledgement that the land was indeed subject to condemnation. But the OSN wanted to stay the question of damages for another reason. The company was currently embroiled in a battle with the Wasco County tax assessors office over the lands at the Cascades. Wasco County claimed the lands at the Cascades were worth nearly \$500,000, while the OSN argued that they were indeed worth much

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<sup>77</sup> “Articles of Incorporation and By-Laws of the Oregon Steam Navigation Company.” (Portland, Oregon: A.G. Walling, Steam Printer and Bookbinder, 1879), in Oregon Steam Navigation Company Papers. Special Collections, Reed College.

<sup>78</sup> “The Oregon Cascade R.R. Co. v. Joseph Baily [sic], Defendant, and the Oregon Steam Navigation Co., Intervenor,” in State of Oregon, *Oregon Reports*, vol. 3, 1867–1872 (Salem, Oregon: State Printer, 1880), p. 171–172.



less, just as the board maintained that the assessments of the Washington Territorial tax assessors were too high. But the company could not claim that the lands were worth little if they wanted to succeed with Chapman. At the trial, Chapman asked Reed what the OSN had given the county assessor as the value of the Cascade portage. The OSN attorney objected claiming that the “admissions of a stockholder were not the admissions of the corporation.” It was true that Reed was a stockholder, but as vice president he was also one of two men in charge of the company. Still the objection was sustained. Chapman then wanted to enter the Wasco county assessment roll as evidence of value, which although favorable to the OSN in this case, would have given legal status to the Wasco county assessments. Again the OSN objected, this time claiming that the assessment was “incompetent” because it was made by the assessor and not the owner of the company.<sup>79</sup> The judge sustained the second objection and the question of value was therefore eliminated from the trial. Although we have to wonder if the vice-president, and one-quarter owner of the company could not be called upon to assess a value on the company’s property, and the state, in the body of the county tax assessor could not value the property, who could?

### *Precedents*

When it came time for the jury to decide upon a verdict, Judge Upton lectured the jury on the multiple tasks before the jury and on the points of law at issue. He again reminded the jury that the trial which they had just heard, was actually two trials, and might require two verdicts. First they had to decide whether or not OSN lands were liable to condemnation. If the lands were liable, then the jury would have to assess their value. Upton made sure to lecture the jury on the legal interpretations surrounding the trial: the nature of corporations, their relationship to state power, the rights of the state to condemn private property for their use, and the legal precedents governing these actions.

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<sup>79</sup> “The Oregon Cascade R.R. Co. v. Joseph Baily [sic], Defendant, and the Oregon Steam Navigation Co., Intervenor,” in State of Oregon, *Oregon Reports*, vol. 3, 1867–1872 (Salem, Oregon: State Printer, 1880), p. 170–171.

Upton's lecture was based upon a prior ruling by Massachusetts Supreme Court Chief Justice Lemuel Shaw, which Upton explained set the precedent for the conflict between the OCRR and the OSN.<sup>80</sup> In the case of *Boston and Lowell Railroad Corporation vs. Salem and Lowell Railroad Company*, Shaw argued that corporations are formed either by "a direct grant from the sovereign power," or, as was the case in the United States under state or federal general incorporation laws which placed certain restrictions upon individuals wishing to incorporate.<sup>81</sup> Shaw explained that in either case corporations were "a contract between the government on the one part, and the undertakers [incorporators] accepting the act of incorporation on the other."<sup>82</sup> Corporations derived their powers from the consent of the state. Transportation corporations, according to Shaw, were even more beholden to the state and the general public because their business was "regarded as a public improvement, and intended for the benefit of the public," and that their powers were "in every respect a public grant, a franchise, which no one could enjoy but by the authority of the government."<sup>83</sup> Upton argued that Shaw's interpretation meant that corporations were "*quasi* public bodies." "When the sovereign power authorizes a railroad company to appropriate private property, it is upon the assumption that the railroad company is a public agent, and it appropriates the property for a public benefit and to a public use."<sup>84</sup> In the matter of

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<sup>80</sup> "The Oregon Cascade R.R. Co. v. Joseph Baily [sic], Defendant, and the Oregon Steam Navigation Co., Intervenor," in State of Oregon, *Oregon Reports*, vol. 3, 1867–1872 (Salem, Oregon: State Printer, 1880), p. 172–176; see *Boston and Lowell Railroad Corporation vs. Salem and Lowell Railroad Company & others*. Supreme Court of Massachusetts, Middlesex. 68 Mass. 1; 1854 Mass.; 2 Gray 1: 60–61.

<sup>81</sup> "The Oregon Cascade R.R. Co. v. Joseph Baily [sic], Defendant, and the Oregon Steam Navigation Co., Intervenor," in State of Oregon, *Oregon Reports*, vol. 3, 1867–1872 (Salem, Oregon: State Printer, 1880), p. 172.

<sup>82</sup> Opinion of Lemuel Shaw in *Boston and Lowell Railroad Corporation vs. Salem and Lowell Railroad Company & others*. Supreme Court of Massachusetts, Middlesex. 68 Mass. 1; 1854 Mass.; 2 Gray 1: 29 quoted in "The Oregon Cascade R.R. Co. v. Joseph Baily [sic], Defendant, and the Oregon Steam Navigation Co., Intervenor," in State of Oregon, *Oregon Reports*, vol. 3, 1867–1872 (Salem, Oregon: State Printer, 1880), p. 173–174.

<sup>83</sup> Opinion of Lemuel Shaw in *Boston and Lowell Railroad Corporation vs. Salem and Lowell Railroad Company & others*. Supreme Court of Massachusetts, Middlesex. 68 Mass. 1; 1854 Mass.; 2 Gray 1: 29

<sup>84</sup> "The Oregon Cascade R.R. Co. v. Joseph Baily [sic], Defendant, and the Oregon Steam Navigation Co., Intervenor," in State of Oregon, *Oregon Reports*, vol. 3, 1867–1872 (Salem, Oregon: State Printer, 1880), p. 174.

transportation corporations and appropriation of property, Upton argued, only a “greater public necessity” could justify a ruling in favor of appropriation.<sup>85</sup>

Which corporation was indeed a greater public necessity? Upton explained that “by the law and the articles of incorporation,” the OSN was “not limited to one side of the river,” but their rights at the cascades did not extend to “the exclusive use of property that is not necessary and useful” in the course of their business.<sup>86</sup> At the same time, the notion of monopoly was not a ruling factor in the case. “It is not the province of this court,” the Judge admonished, “to deprive the defendant of property ... on the ground that the defendant is a monopoly.” He explained that the loaded terms of monopoly and competition had no place in his courtroom. “The defendant cannot object to the appropriation on the ground that opening the route will build up a rival company; and the plaintiff cannot claim anything on the ground that competition would be a public benefit.”<sup>87</sup>

The factors which determined which road was a greater public necessity were not based entirely on public necessity, for the private necessities of each corporation played a role. If the Oregon portage was, “necessary to enable the [OSN] to carry on their business,” then the property was “necessary to [public] use and so held.”<sup>88</sup> Only a scheme which surpassed the use value of the OSN could justify appropriation. For if the use of the Oregon portage was an integral aspect of the OSN system it was “not liable to be condemned and appropriated to another corporation for the same use to which it has already been set apart.” For, as Upton argued, “if a railway company could condemn and appropriate the ground and track of another similar corporation, so as to deprive the first

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<sup>85</sup> “The Oregon Cascade R.R. Co. v. Joseph Baily [sic], Defendant, and the Oregon Steam Navigation Co., Intervenor,” in State of Oregon, *Oregon Reports*, vol. 3, 1867–1872 (Salem, Oregon: State Printer, 1880), p. 174.

<sup>86</sup> “The Oregon Cascade R.R. Co. v. Joseph Baily [sic], Defendant, and the Oregon Steam Navigation Co., Intervenor,” in State of Oregon, *Oregon Reports*, vol. 3, 1867–1872 (Salem, Oregon: State Printer, 1880), p. 175.

<sup>87</sup> “The Oregon Cascade R.R. Co. v. Joseph Baily [sic], Defendant, and the Oregon Steam Navigation Co., Intervenor,” in State of Oregon, *Oregon Reports*, vol. 3, 1867–1872 (Salem, Oregon: State Printer, 1880), p. 175.

<sup>88</sup> “The Oregon Cascade R.R. Co. v. Joseph Baily [sic], Defendant, and the Oregon Steam Navigation Co., Intervenor,” in State of Oregon, *Oregon Reports*, vol. 3, 1867–1872 (Salem, Oregon: State Printer, 1880), p. 177, 174.

of its use, a third company could immediately proceed in the same manner against the second.”<sup>89</sup> Because Chapman intended to prosecute the same public action as the OSN—portaging freight around the Cascades—the jury would have to decide whether or not the OSN had abandoned the Oregon portage, or “voluntarily given up the intention of using this road as a means of transportation on this portage.”<sup>90</sup>

Ultimately, the jury determined that the OSN still used the Oregon portage and that land in question was not subject to appropriation by the OCRR. In their view, the OSN had demonstrated continued use along the portage. Furthermore, Chapman’s plans for a competitive portage did not constitute a greater public benefit because the OCRR intended to carry out the same business that in which the OSN was already engaged. The OCRR did not provide, in the minds of the jury members, a “greater public necessity” than the current business of the OSN on the south bank of the river. Condemnation would have denied the OSN the right to operate the portage and transferred that right to the OCRR, without any appreciative public gain. Although Chapman appealed on the grounds that one jury member had not seen the north bank portage and could not therefore make an informed decision, Upton denied him the right to a new trial.

### **The Little Engine that Couldn’t: The Portland Dalles and Salt Lake Railroad**

Chapman did not end his attempt to break the OSN monopoly on the Columbia River. Over the following three years he perfected a scheme to more effectively engage the legal structure governing railroads, transportation companies, and condemnation proceedings. He focused his efforts on projecting a “greater public necessity,” a railroad company whose business was far greater than simply portaging freight around the river’s obstructions. In February 1871, Chapman, along with 34 others, signed articles of

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<sup>89</sup> “The Oregon Cascade R.R. Co. v. Joseph Baily [sic], Defendant, and the Oregon Steam Navigation Co., Intervenor,” in State of Oregon, *Oregon Reports*, vol. 3, 1867–1872 (Salem, Oregon: State Printer, 1880), p. 174.

<sup>90</sup> “The Oregon Cascade R.R. Co. v. Joseph Baily [sic], Defendant, and the Oregon Steam Navigation Co., Intervenor,” in State of Oregon, *Oregon Reports*, vol. 3, 1867–1872 (Salem, Oregon: State Printer, 1880), p. 176.

incorporation for the Portland, Dalles, and Salt Lake Railroad Company (PD&SLRR). The company intended to run a line, as its name implied, from Portland to The Dalles, thence to the confluence of the Snake and Columbia River, and from there, the articles of incorporation prophesied that the road would turn southeast to a Utah connection with either the Union Pacific or Central Pacific.<sup>91</sup> This ambitious paper landscape entitled Chapman to break the OSN domination of the river while at the same time capitalize on the possibility of a transcontinental connection, a public necessity that Portland newspapers had demanded since Congress had created the Northern Pacific Railroad in 1864.<sup>92</sup> To meet this challenge, the OSN board took the fight to the Cascades itself where they made overtures to rebuilding the portage road on the Oregon bank of the river. The OSN board had no intention of putting the new improvements to use, instead they hoped to further blur the line between the physical landscape and the property rights which defined it.

### *Building Support, not the Road*

After incorporating, Chapman enlarged and strengthened the paper landscape atop which the PD&SLRR was to be built. Once again he looked toward the land at the Cascade portage. Using the survey from the OCRR, he offered the OSN \$500 for a four and one-half mile right of way along the south bank at the Cascades.<sup>93</sup> When the OSN refused to sell, he again instituted condemnation proceedings in the United States Circuit

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<sup>91</sup> The articles of incorporation were filed with the state 16 March, 1871, and the state legislature recognized the company under the General Incorporation Act of Oregon on 7 October 1871. See "Articles of Incorporation. Portland, Dalles, & Salt Lake Railroad," 7 October 1871, in State of Oregon, *Messages and Documents, State of Oregon, 1872* (Salem, Oregon: State Printer, 1874); and "Notes," H. Tyndale, in Henry Villard Business Papers, box 31, folder 259. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>92</sup> See Portland *Oregonian*, 5 June 1870, and 3 March 1871. Public outcries for a transcontinental connection reached a fever pitch by the late 1870s, when many connections had been proposed but none had even laid a mile of track in the state. The Northern Pacific, which had a special charter from Congress and a fifty-million acre land grant could not get enough funds to actually build the road. Although chartered in 1864, the road still appeared a fantasy to most northwesterners, even a decade later. The *Oregonian*, a staunch supporter of the NPRR connection, even published an editorial entitled "Any Road Will Do," on 13 April 1877.

<sup>93</sup> *Oregonian*, 12 August 1871.

Court, but did not press the suit until he could establish a better foundation for his plans.<sup>94</sup> His frequent appeals for aid and funding to the State legislature paid off and in October 1872, the legislature passed a law appropriating five percent of the sale of public lands to Chapman's scheme, as well as a right of way along all public lands, and bonds of up to \$30,000 per mile, all in the name of overcoming "the obstructions to the free navigation of the Columbia River, and the consequent monopoly in the transportation."<sup>95</sup> Although the Oregon legislature would not issue special charters as the Washington Territorial legislature had done, they were not above granting aid for specific corporations, especially when those corporations intended to oppose the OSN.

The price for state aid, however, was considerable state regulation. The legislature also demanded that the road "complete the Cascade portage link of their said Railroad so as to make connection with boats plying on the Columbia River above and below the Cascades," and that "the cost of transportation on the Columbia River ... either by the said Company's own boats, or any other boats, using the said portages ... shall never exceed fifty per cent of the rate charged upon the said river on the second day of September, 1872." If rate regulation and state determined construction strategies were not a clear enough way of explaining public sentiment about transportation corporations, the legislature concluded the bill by exclaiming:

The Portland, Dalles and Salt Lake Railroad Company shall not be guilty of extortion, excessive charges or unjust discriminations in favor of or against any persons or corporation, in its charges for transportation of persons or property, over the said railroad, or any of its branches within the State ... nor in favor of or against any place or town on the line of said railroad within the State, nor make any arrangement, contract or understanding with any corporation, individual, or individuals, owning or controlling competing lines of transportation, intended or having the effect of enhancing the price of transportation. Any officer or employee, or servant of said Company, who shall knowingly and willfully be guilty of violating the provisions of this Section shall be deemed guilty of a misdemeanor, and on conviction thereof, in any court of competent

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<sup>94</sup> Portland *Daily Bulletin*, 23 June 1873.

<sup>95</sup> "An act contracting for the construction of certain sections of the Portland, Dalles, and Salt Lake Railroad," 15 October 1872, in State of Oregon, *Acts and Resolutions of the Legislative Assembly of the State of Oregon, passed at the Eighth Regular Session, 1872* (Salem, Oregon: State Printer, 1874), p. 20. For more on popular opposition to the OSN in the State legislature, see chapter 5 below. chapter 5 examines the successes and failures of the Granger movement in the Pacific Northwest with respect to OSN dominance on the Columbia River.

jurisdiction, shall be punished by fine not exceeding five hundred dollars, or imprisonment not exceeding six months.<sup>96</sup>

Chapman also took his case to the people in numerous speeches and public writings. In a newspaper column entitled “The Gateway of the Cascade Mountains, A Monopoly’s Attempt to Hold the Key of our Interior Country to Prevent Competition and to Strangle Portland and Oregon,” Chapman told readers that the PD&SLRR was an attempt to relieve Oregon, eastern Washington, and Idaho from “the extortionate prices charged by the Oregon Steam Navigation Company,” which had opposed the PD&SLRR at every turn, and had “overshadowed and crushed [it] into insignificance.” The key to his well intentioned efforts was of course the Cascades and the Oregon portage operated by the OSN, which Chapman described as “a dilapidated horse-railroad which a mule has grown old in holding against competition, while the business is being done upon a first class railroad on the opposite side of the river.” Chapman put the case to the people: “it will be for you to say whether the immense advantages that have been obtained shall be surrendered and the chains of corporate power again clasped upon Oregon’s dearest interests”<sup>97</sup>

### *OSN Response*

The OSN defended its legal rights by strengthening its claims to the land on the ground. In July 1870, and again in 1871, the OSN ordered chief engineer Brazee, the same individual who had lobbied for the company in Washington Territory, to go to the Cascades to make repairs along the road.<sup>98</sup> In addition to making a show of repairing the tramway, Reed wanted Brazee to learn more about the PD&SLRR scheme. In August, the vice president sent Brazee a copy of the PD&SLRR survey notes and asked the engineer

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<sup>96</sup> “An act contracting for the construction of certain sections of the Portland, Dalles, and Salt Lake Railroad,” 15 October 1872, in *Acts and Resolutions of the Legislative Assembly of the State of Oregon, passed at the Eighth Regular Session, 1872* (Salem, Oregon: State Printer, 1874), p. 20.

<sup>97</sup> *Portland Daily Bulletin*, 23 June 1873.

<sup>98</sup> “Oregon Steam Navigation Company Minute Book,” 20 July 1870, 6 July 1871, in Oregon Steam Navigation Company Papers. Special Collections, Reed College.

to make sense of them and tell the board members “*just where their line runs.*”<sup>99</sup> The funds allocated to Brazee’s work along the portage were minimal, and when he was finished, the road was in no better shape than before. Indeed, the company still favored the north bank for all its traffic. It is clear that the repairs were an attempt to stave off Chapman’s challenges, and not to re-incorporate the Oregon portage into the business of the OSN.

There was another reason the OSN sought to make repairs to the south bank. In 1869, the sputtering Northern Pacific Railroad had approached Jay Cooke and asked the wealthy banker for help selling construction bonds for the road. I will discuss the Northern Pacific in greater detail below. But for Chapman’s story it is important to understand the essentials of the NPRR’s interest in the OSN. After being solicited by the NPRR officials, Cooke sent an engineer, Milnor Roberts, to survey the line west of the Rocky Mountains, and on Roberts’s balanced, but positive report, Cooke agreed.<sup>100</sup> By late 1871, the Northern Pacific board began to covet the OSN’s stranglehold on the Columbia River to aid them in building their “Pend d’Oreille division” (see maps 9 and 10). The OSN board understood that their company was a substantial prize, but they were concerned that the NPRR might try, as Chapman had, to condemn the Oregon portage should the transcontinental be unable to negotiate a price. The board felt that by making a show of minor improvements, they could establish better legal control over the portage and exact a higher price from the NPRR. By early 1872, the NPRR and the OSN came to terms. Ainsworth, Reed, Thompson, and Ladd sold three-fourths of their stock to the NPRR.<sup>101</sup> The OSN remained a distinct corporation and the NPRR ownership kept the old OSN board as managers until Cooke’s financial failure in 1873 after which the original OSN board once again achieved majority ownership.

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<sup>99</sup> Simeon G. Reed to John W. Brazee, 10 August 1871, in Reed Letterbooks, vol. 3. Special Collections, Reed College.

<sup>100</sup> See Ellis Paxton Oberholtzer, *Jay Cooke, Financier of the Civil War*, vol. II (Philadelphia: George W. Jacobs and Col., 1907); and James B. Hedges, *Henry Villard and the Railways of the Northwest* (New Haven: Yale University Press, 1930).

<sup>101</sup> For details of the sale and its implications for the Pacific Northwest, see below, this chapter.



During the NPRR's tenure as owner of the OSN, Chapman's second challenge came to a head. George W. Cass was originally one of the NPRR directors sent to the Northwest to decide upon the location of the main and branch lines. He became president in May 1872 when Cooke forced John Gregory Smith to resign.<sup>102</sup> Early in 1873, as Chapman's suit came to trial, Cass asked Ainsworth if the NPRR simply should purchase the PD&SLRR charter for \$50,000 and be rid of Chapman. "No," replied Ainsworth. "Would not give fifty cents .... Chapman is a man without means or reputation and has long been trying to blackmail the O.S.N.Co.... He can do nothing, and we do not fear him."<sup>103</sup> Cass replied, telling Ainsworth that Chapman may have had no means, but since the state had promised aid, the charter might still be worth something. Still, Cass told Ainsworth that when it came to affairs in the West, "we propose to follow your judgment and avail ourselves of your experience."<sup>104</sup> This hands-off approach from the principal owners and directors of internationally financed roads would come to typify the relationship between transcontinentals and local managers. When Cass wrote to Ainsworth in early 1873, the strategy was borne out of financial as well as logistical constraints.

Although the OSN directors may not have believed that Chapman would complete his project, they were concerned about the possible effects that his challenges, and others like his, could have on their business. Letters to Cass fail to represent fully Ainsworth's opinions about the portage. The events that followed show that the OSN continued to strengthen its portage rights, even if its owners professed little faith in Chapman. In June, Chapman won his suit against the Company. The jury proclaimed the PD&SLRR a "greater public necessity" in the words of Judge Upton, and made the south bank portage liable to condemnation. The court awarded the PD&SLRR a 60 foot right of

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<sup>102</sup> Peter J. Lewty, *To the Columbia Gateway: The Oregon Railway and the Northern Pacific, 1879-1884* (Pullman, Wash.: Washington State University Press, 1987), p. 9.

<sup>103</sup> John C. Ainsworth to George W. Cass, 15 February 1873, in John C. Ainsworth Collection, vol. 1, *Letters Sent, 1865-1874*. Division of Special Collections & University Archives, University of Oregon.

<sup>104</sup> George W. Cass to John C. Ainsworth, 7 March 1873, in John C. Ainsworth Collection, box 17, folder 4. Division of Special Collections & University Archives, University of Oregon.

way across the OSN property for the price of \$10,000.<sup>105</sup> Chapman knew that a price of \$10,000 was beyond his reach so he made a motion for a retrial, claiming that the award had been based on the NPRR's intentions and not the actual value of the line. The Judge ruled against Chapman and demanded that he pay the award within a week.<sup>106</sup> Chapman was wholly unable to obtain the necessary funds and tried to interest other investors.

While Chapman canvassed other investors, the OSN board created a new company, the Cascade Portage Railroad and listed OSN Secretary Theodore Wygant and OSN attorney William Strong as the incorporators.<sup>107</sup> The new company, beholden to the OSN, made a show of improving the portage road under Wygant and Strong, Just as Brazee had done a few years earlier. The OSN officially declared Brazee's work as preparation for the NPRR construction traffic. In public, the board claimed that "when the Northern Pacific Company commence the construction of the section of road east from the mouth of the Snake river, the materials will have to be transported up the Columbia, and the present road will be insufficient to make the portage."<sup>108</sup> In private, however, the OSN directors told a different story. "We have organized another company to cover the ground now occupied," Ainsworth wrote to Cass, "which will completely head [Chapman] off as the ground that was condemned will be worthless to the Salt Lake Road unless they can condemn the ground now occupied" by the new company.<sup>109</sup> Finally, in February 1874, the OSN deeded the portage lands in trust to longtime OSN associate Joseph M. French. French, like Hayward, lived in San Francisco and played the part of an "outsider" in order to discourage further attacks. If Chapman or any one else intended to act on the court's ruling, the OSN could claim that they were not the owners, and a new trial would have to ensue.

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<sup>105</sup> *Oregonian* 19 June 1873.

<sup>106</sup> *Oregonian* 15 July 1873.

<sup>107</sup> "Notes," H. Tyndale, in Henry Villard Business Papers, box 31, folder 259. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>108</sup> *Oregonian*, 30 August 1873. The *Oregonian* misstates that Brazee was surveying on the Washington side, when in fact the board sent him to the Oregon portage. See "Oregon Steam Navigation Company Minute Book," 6 January 1873, in Oregon Steam Navigation Company Papers. Special Collections, Reed College.

<sup>109</sup> John C. Ainsworth to George W. Cass, 15 July 1873, in John C. Ainsworth Collection, vol. 4, Letters Sent, 1873–1875. Division of Special Collections & University Archives, University of Oregon.

Ainsworth and the other directors felt that buying out Chapman was the same as throwing money away. They had made that mistake with the MCPC and now refused to purchase empty charters from entrepreneurs they considered “blackmailers.” Why waste liquid capital on a worthless charter when the company could spend the same funds to work on the actual road bed, trade liquid capital for fixed capital, and accomplish the same task? Indeed, were the OSN, or more appropriately, the NPRR to improve the Oregon portage, they could defeat Chapman, and discourage other similar challenges in the future. This logic appealed to the NPRR directorate, who in 1873 still had a vested interest in the OSN, and saw improvements to the south bank portage as preliminary for a railroad connection down the Columbia. Ainsworth advised C.B. Wright, vice president of the NPRR, that the “only way to hold this important key any longer with safety is to build the road.”<sup>110</sup> Time proved Ainsworth right, at least in the case of Chapman’s challenges. The lawyer made repeated appeals for public aid, but ultimately failed to interest any serious investor and his scheme died.

Although the OSN successfully silenced Chapman, they had to constantly battle similar challengers for the remainder of the 1870s. Even after Henry Villard purchased the OSN in 1879 and began construction of a rail line along the south bank, local capitalists continually harassed the owners of the portage lands at the Cascades. Jay Cooke, after his failure and somewhat wiser from his strategic battles at the helm of the NPRR, wrote to Ainsworth warning the Portland capitalist of the instabilities and costs of a monopoly. The banker prophetically asked Ainsworth “If you attempt to monopolize the whole thing, is there not danger of constantly recurring antagonism which it might be best to avoid?”<sup>111</sup> Ainsworth and the rest of the OSN board were too wary of the instability of the river and possibilities of a rate war to ever give any ground when it came to their monopoly. As we will see in chapter 5, public sentiment would not let the OSN monopoly rest, yet it took the combined power of political reformers, the federal

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<sup>110</sup> John C. Ainsworth to Charles B. Wright, 17 November 1873, in John C. Ainsworth Collection, vol. 4, Letters Sent, 1873–1875. Division of Special Collections & University Archives, University of Oregon.

<sup>111</sup> Jay Cooke to John C. Ainsworth, 2 March 1874, in John C. Ainsworth Collection, box 12, folder 6. Division of Special Collections & University Archives, University of Oregon.

government, and the United States Army engineers to finally break the corporate hold on the river. And by that time a new corporation had been built upon the OSN foundation.

### **The Borders of Geographic Knowledge: Negotiating with the Transcontinentals**

Throughout the 1860s and '70s, internationally financed railroad corporations, managed primarily in the eastern urban centers of New York, Philadelphia, or Boston, looked to Oregon, especially the Columbia highway to fulfill dreams of a second transcontinental connection. But the OSN board was ambivalent about such a connection. On the one hand, an eastern rail link would put an end to OSN domination in the Pacific Northwest. On the other, a transcontinental connection with Portland would cement the city's position as the region's dominant capital. The board was unwilling to either enter into a protracted battle for ownership of the river with international capital, or to fund the construction of their own rail line. In the end, Ainsworth, Thompson, Reed, and Ladd, in secure possession of the Columbia highway, used their profitable monopoly to lure capital from American, English, and German bankers into Oregon, and indeed their pockets. In many ways the story of the OSN's relationships with internationally financed corporations is similar to the Oregon corporation's relationships with local entrepreneurs. OSN successes against local entrepreneurs depended on the company's ability to define and control geographic knowledge. As business elites located on the geographical periphery, they monopolized not only the Columbia, but the knowledge of river, which granted them considerable power when negotiating with non-local capital.

In two separate instances, the OSN owners demonstrated the power that geographic knowledge had in corporate relations. When the owners of the Northern Pacific Railroad finally started contemplating building in the Northwest, nearly a decade after Congress chartered the road, they looked upon the OSN monopoly as an asset. The Northern Pacific financiers negotiated with the OSN owners to purchase a majority share in the company, but the OSN owners managed to keep control of its operations, while Ainsworth became a western director of the NPRR. When Jay Cooke's banking house

failed and the transcontinental lost its funding, OSN stock was put on the open market, where Ainsworth, Reed, Thompson, and Ladd, managed to purchase nearly all of it for a fraction of what they had sold it for, and regained control of the company. Four years later, the financier Henry Villard, armed with capital from Frankfurt, London, Boston and New York, came to the Northwest to build his own rail empire. He too saw the OSN as an asset and sought to purchase the company. Similar to the Northern Pacific directors, Villard had little knowledge of the region and ultimately the OSN owners sold to Villard but remained important managers in the new corporation. Negotiations initiated by transcontinental railroad interest in the region, although less antagonistic than the history of local competition, were still determined by one company's ability to define the region.

### *Transcontinental Interests*

Initially, OSN interest in a transcontinental connection was more a product of outside railroad interests in competing for Oregon, than a genuine hope, on the part of the OSN, for a link to the wider market. There were three major roads interested in the Pacific Northwest, the Union Pacific Railroad (UPRR), the Central Pacific Railroad (CPRR), and the Northern Pacific Railroad (NPRR) (see map 10). The interests of the UPRR and CPRR were closely intertwined; the two railroads were jointly working on finishing the first transcontinental road: the CPRR building eastward from California, and the UPRR building westward across the plains. They eventually joined at Promontory Point, Utah, but each road sought to gain an advantage over the other and the Oregon market became a battleground.<sup>112</sup> The UPRR wanted an independent outlet to the Pacific, and Oregon was a logical possibility: from the Rocky Mountains, a road could cross Idaho and reach the Columbia near Umatilla landing. The CPRR hoped to stop its rival by pushing construction of its western road all the way to the Green River in Wyoming, thus shutting the UPRR out of the northwest and gaining control of the mining freight of the intermountain West, and having a larger share of the eventual transcontinental profits.

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<sup>112</sup> On the battle between the Union Pacific and the Central Pacific and their race to a connection with each other, see David Haward Bain, *Empire Express: Building the First Transcontinental Railroad* (New York: Viking, 1999).

When Huntington of the CPRR realized his road would not even reach Salt Lake City, he began to explore projects that would draw the commerce of Oregon away from the Columbia highway and Portland, and into the CPRR orbit.<sup>113</sup>

At the same time, Congress has recently created the NPRR through a special charter. The legislature gave it the power to run from Minnesota to the Northwest, and then both down the Columbia River and over the Cascades to Puget Sound (see map 10). Along with their route, the road was given a land grant totaling nearly 50,000,000 acres.<sup>114</sup> The first OSN attempts to negotiate with these roads were tentative and ultimately failed to bring a connection to Portland. When Reed went to Washington to secure OSN rights against attacks from Vancouver entrepreneurs, he found owners of the NPRR and UPRR lobbying Congress on behalf of various bills. When the owners of the two lines sought him out to aid them in lobbying Congress, Reed tried to convince both roads of the necessity of building lines to connect with the OSN's Columbia system.

In 1865, the NPRR was trying to convince the national legislature to support construction bonds for the road. Its charter restricted the company from issuing bonds backed only by the land grant—portions of which were technically not company property until sections of the road were built.<sup>115</sup> The company hoped that the government would either remove the restriction, or federally guarantee interest on bonds. Its representatives in Washington courted Reed “to obtain all the information they can from parties residing on the Pacific regarding resources etc., etc.”<sup>116</sup> NPRR owners hoped they could get Congress to back their financial plans by presenting legislators a rosy picture of markets on the Pacific slope. Reed, along with the NPRR officials, met the Speaker of the House and the chairman of the Committee on Pacific Railroads “and some dozen or fifteen of

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<sup>113</sup> James B. Hedges, *Henry Villard and the Railways of the Northwest* (New Haven: Yale University Press, 1930), pp. 33–34.

<sup>114</sup> 13 Stat., 365 “An act Granting lands to aid in the construction of a railroad and telegraph line from Lake Superior to Puget's Sound, on the Pacific coast by the Northern Route,” 2 July 1864.

<sup>115</sup> See John L. Harnsberger, “Jay Cooke and Minnesota: The Formative Years of the Northern Pacific Railroad, 1868–1873” (Ph.D., University of Minnesota, 1956), p. 59. See also 13 Stat., 365 “An act Granting lands to aid in the construction of a railroad and telegraph line from Lake Superior to Puget's Sound, on the Pacific coast by the Northern Route,” 2 July 1864.

<sup>116</sup> Simeon G. Reed to John C. Ainsworth, 19 March 1866, in “Oregon Steam Navigation Company file.” Simeon G. Reed Collection. Special Collections, Reed College.

the members. I had a map along and did the best I could towards explaining the matter to them.”<sup>117</sup>

In return for help lobbying the NPRR bill, Reed tried to interest the road in a construction contract with OSN, explaining to the owners the wisdom and necessity of building an extension to the Columbia River from Wallula. He maintained that “*no matter* whether they succeed or not in obtaining gov’t aid they have got a ‘*dead sure*’ thing by building of say 300 miles of Road from the Columbia River, and no time should be lost.”<sup>118</sup> He even offered to charter the road “at one percent per month on cost of \$32,000 per mile.” The Northern Pacific directors politely declined, however, and thanked Reed for his help with their securities bill. Disappointed in what he considered a lack of enterprise, Reed wrote Ainsworth that “while the majority of their company is composed of wealthy, and reliable men who stand well in the Community, they are not the kind that take hold of these large enterprises and go down in their pockets to any great extent.”<sup>119</sup>

In contrast to the NPRR crowd in Washington, the UPRR was “a live institution and such men as Oakes Ames, T.C. Durant, Glidden and Williams ... are building the road ... and are getting big rich out of it.”<sup>120</sup> Reed tried to interest the Union Pacific in the very Columbia River and Salt Lake line that Chapman would propose five years later. His inducements to the UPRR owners were the same as those he gave to the Northern Pacific—the UPRR could use the OSN to ship freight upriver to Umatilla, and begin building toward Salt Lake. Agricultural surplus from the Grande Ronde and Powder River valleys would pay for the road itself, not to mention give the UPRR an advantage over the Central Pacific as well as an independent outlet to the Pacific. Reed told the rest of the board in Portland that after he explained the scheme to the UPRR officials, “they

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<sup>117</sup> Simeon G. Reed to John C. Ainsworth, 29 March 1866, in “Oregon Steam Navigation Company file.” Simeon G. Reed Collection. Special Collections, Reed College.

<sup>118</sup> Simeon G. Reed to John C. Ainsworth, 7 May 1866, in “Oregon Steam Navigation Company file.” Simeon G. Reed Collection. Special Collections, Reed College.

<sup>119</sup> Simeon G. Reed to John C. Ainsworth, 10 May 1866, in “Oregon Steam Navigation Company file.” Simeon G. Reed Collection. Special Collections, Reed College.

<sup>120</sup> Simeon G. Reed to John C. Ainsworth, 10 May 1866, in “Oregon Steam Navigation Company file.” Simeon G. Reed Collection. Special Collections, Reed College.

think favorably of the matter.”<sup>121</sup> Soon after, he drew up a bill for the “Columbia River and Salt Lake Railroad,” which Senator Williams introduced on May 10.<sup>122</sup> It was referred to the Committee on Public Lands, which by 1866 was what one historian has called “the tomb of railway charters.”<sup>123</sup> Although it made it out of committee it failed to pass the Senate before the close of the session. When Reed returned to Portland, the OSN set aside their interest in the overland routes, and turned instead to the roads in the Willamette.

### *The Northern Pacific*

Although the OSN was failed in 1866 to entice a transcontinental to Portland, the chance arose again in 1869 when Milnor Roberts, a surveyor for the NPRR, came to the Northwest at the behest of Jay Cooke, who was considering a plan to fund construction of the road. Cooke was the banker who had been in charge of disposing United States war bonds during the Civil War. The Northern Pacific had previously applied to Cooke for funding in 1865 but he had declined, arguing that the project was too young and too risky for him to stake his reputation upon. This time, Cooke looked upon the NPRR favorably if not also suspiciously. He agreed to fund the road, but made his offer contingent upon a survey of the route and land grant, to be made by an engineer of his own choosing. Roberts left for the Pacific coast in June with a party of Northern Pacific officials.

The surveying party arrived in Portland on July 4, and Portlanders made Roberts’s party the official guests of honor in patriotic celebrations intended to publicize the region.<sup>124</sup> The city fathers looked to the NPRR as the answer to all the region’s ills, and the long-awaited transcontinental connection the town so richly deserved. The Portland board of trade and the city council treated the surveying crew as they would have treated

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<sup>121</sup> Simeon G. Reed to John C. Ainsworth, 7 May 1866, in “Oregon Steam Navigation Company file.” Simeon G. Reed Collection. Special Collections, Reed College.

<sup>122</sup> Simeon G. Reed to John C. Ainsworth, 24 May 1866, in “Oregon Steam Navigation Company file.” Simeon G. Reed Collection. Special Collections, Reed College. See *Congressional Globe*, 39<sup>th</sup> Cong., 1<sup>st</sup> sess., pt. 3: 3416.

<sup>123</sup> Dorothy O. Johansen, “Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company” (Ph.D. Thesis, University of Washington, 1941), p. 203.

<sup>124</sup> Ellis Paxton Oberholtzer, *Jay Cooke, Financier of the Civil War*, vol. II (Philadelphia: George W. Jacobs and Col., 1907), p. 117.



the President of the United States. Roberts did not disappoint Portlanders either. In his official report to Cooke, he noted that the town “gave us a hearty reception and expresses the most lively interest in the success of the Northern Pacific Railroad.” He lauded the “enterprising men of Portland,” and took pains to articulate what he saw as hallmarks of civilization in the Pacific northwestern wilderness. “In the space of a few years,” he told Cooke, Portlanders “built an elegant city, with all the modern appliances of water supply, gas, Nicholson pavements, handsome churches, stores, etc., as well as commodious wharves, at which we saw numbers of sea-going vessels from foreign ports, and river and ocean steamers.”<sup>125</sup> Congress may have mandated that Puget Sound be the NPRR terminus, but Roberts implied that the branch line to Portland, also included in the NPRR charter, would make money for the road immediately.

If Portland officials used the occasion to sell their city and their region to the railroad men, the OSN took advantage of the NPRR presence in Oregon to sell their corporation. Roberts and his party intended to go to Puget Sound, and then up the Columbia and over the continental divide into Montana. In short, Roberts came to survey what was at that point, solidly OSN territory. Ainsworth and his associates aided the party nearly the entire way, giving them free passes on their steamers both up to Puget Sound and into Montana. In his official report to Cooke, Roberts wrote “to the liberality and kindness of Captain I. H. [sic] Ainsworth, President, and Mr. Reed, Treasurer of this important organization, our party are under very great obligations for the free use of their steamers, wherever we could avail ourselves of them to facilitate our examinations; on Puget Sound, on the rivers, and on Lake Pend d’Oreille [sic].”<sup>126</sup> The Northern Pacific brass drew up an official “Testimonial to captain J.C. Ainsworth (Oregon Steam Navigation Co.)” to “publicly thank” Ainsworth and his fellow Oregon entrepreneurs for

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<sup>125</sup> W. Milnor Roberts, *Special Report of a reconnaissance of the route for the Northern Pacific Railroad between Lake Superior and Puget Sound, via the Columbia River, made in 1869 by W. Milnor Roberts, U.S. Civil Engineer, under the direction of Messrs. Jay Cooke & Co. Bankers* (Philadelphia: McLaughlin, 1869), p. 6.

<sup>126</sup> W. Milnor Roberts, *Special Report of a reconnaissance of the route for the Northern Pacific Railroad between Lake Superior and Puget Sound, via the Columbia River, made in 1869 by W. Milnor Roberts, U.S. Civil Engineer, under the direction of Messrs. Jay Cooke & Co. Bankers* (Philadelphia: McLaughlin, 1869), pp. 6–7.

the use of company steamers “and for the happiness ... enjoyed in seeing under his auspices the marvelous beauty and wealth” of the region.<sup>127</sup> Signed by Canfield, Roberts, and the rest of the party, the testimonial points to the close relationship that the OSN developed while Roberts was in the Northwest.

The testimonial and the reliance of the Roberts party on the OSN while in the Northwest illustrates the power the OSN had over the creation of geographic knowledge and landscape perceptions about the region. Sailing on OSN boats into OSN territory, Roberts explored not the Pacific Northwest, but the region and landscape created and controlled by the Oregon Steam Navigation Company. The OSN board literally controlled the NPRR surveyor’s knowledge of the region and thoroughly shaped Roberts’s final report, a document which played no small role in Cooke’s final decision to fund a second transcontinental.

Roberts completed the survey in August 1869, and returned east to report to Cooke. The banker gave the engineer his own room at Cooke’s private residence. In the month that followed, Cooke and Roberts discussed the survey and Roberts completed the official report, a combination of an engineer’s technical survey and an advertiser’s invitation to invest in the road. Roberts prophesied a commercial empire in the Pacific northwest whereby one resource gave way to another in an unending succession of bountiful extractive development:

The day is not far distant, when the manufactures which will grow up around this world of waters, will engender a commerce far exceeding that arising from the fisheries; and, as the forests recede under the insatiable demands of an increasing growth of population, agricultural products will fill the apparent void, for it is certain that the soil where these vast forests now grow is remarkably prolific. And if at some period in the future when numerous flourishing cities shall have grown up with the growth of this Pacific Coast, the timber should be exhausted, a bountiful Providence has stored up for the use of the coming generations an abundant supply of coal, an article which is the basis of most of the wealth of Great Britain, and which, more than any single product of the mines, has enabled the United States to take her present stand among the nations.<sup>128</sup>

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<sup>127</sup> “Testimonial to Captain J.C. Ainsworth (Oregon Steam Navigation Co.)” 11 July 1869, in John C. Ainsworth Collection, box 12, folder 3. Division of Special Collections & University Archives, University of Oregon.

<sup>128</sup> W. Milnor Roberts, *Special Report of a reconnaissance of the route for the Northern Pacific Railroad between Lake Superior and Puget Sound, via the Columbia River, made in 1869 by W. Milnor*

Timber gave way to agriculture which sustained growing urban centers throughout the region that would eventually tap into a rich supply of coal, all producing a commercial center so powerful it would rival the greatest industrial giant in the entire world. The road itself would definitely turn a profit, Roberts reported, but the land grant through which it ran was the real gem, one of the surest investments in all of railroading. As a result of his conversations with Roberts, Cooke determined to fund the road and in January 1870 began using Roberts's very report to interest both European and American investors.<sup>129</sup>

Two years after Cooke agreed to fund the transcontinental, the road was prepared to begin construction on its "Lake Pen d'Oreille" section, one of the most difficult and mountainous sections of the road. The NPRR route ran from Lake Pend Oreille in northern Idaho Territory to the confluence of the Columbia and Snake rivers. In order to ship construction supplies to what the directors referred to as "the front" the NPRR would have to treat with the OSN. If the NPRR owners wanted to build into the fertile and increasingly populated Columbia plain, they could either wait for their eastern line to reach past the Rockies, which they determined impractical, or transport construction supplies up the Columbia. For their part, the OSN board was increasingly convinced that the NPRR had a good chance of completing one or both of their lines across the region. Although the OSN stood to benefit from the massive amount of upriver construction traffic, and could levy a handsome duty on the NPRR, the board was concerned that the road might try to condemn the portage lands, as Chapman was then attempting. To forestall a legal battle—which the OSN understood had as much to do with capital as it did with the constitution—with one of America's most famous financiers, the OSN owners determined to sell to the NPRR.

Reed and Ainsworth traveled to Philadelphia in the spring of 1872 to negotiate with the road. They explained to Cooke and the rest of the NPRR officials the logic of a

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*Roberts, U.S. Civil Engineer, under the direction of Messrs. Jay Cooke & Co. Bankers* (Philadelphia: McLaughlin, 1869), pp. 13–14.

<sup>129</sup> For details of the final sale and Cooke's maneuvers to dispose of the NPRR bonds, see Ellis Paxton Oberholtzer, *Jay Cooke, Financier of the Civil War*, vol. II (Philadelphia: George W. Jacobs and Col., 1907); and John L. Harnsberger, "Jay Cooke and Minnesota: The Formative Years of the Northern Pacific Railroad, 1868–1873" (Ph.D., University of Minnesota, 1956).

combination, and the dangers of a legal battle. If the transcontinental bought a controlling interests in the OSN, the Portland capitalists argued, European and American bond and stockholders stood to benefit substantially. The increasing downriver agricultural freight the OSN was currently carrying was bringing in high dividends and the construction funds that the NPRR would bring to upriver freight was an added incentive.

In addition to the OSN inducements to buy, Cooke had Roberts's assessment of the OSN: "There is, perhaps, no single fact to which I can refer in connection with our investigations more suggestive of the rapid and substantial growth of trade and commerce on this part of the Pacific coast, than the eminent success of this Steam Navigation Company, and the flourishing condition of Portland, the home of its far-seeing and public spirited proprietor, Captain Ainsworth."<sup>130</sup> Roberts's report noted that the company was making large dividends, and more importantly already had 20 miles of built railroad which the company could apply toward securing another section of the land grant. "A private company, in the very infancy of white settlement of this portion of Oregon," the report read, "constructed first-class Railroads around two of the most difficult points in the valley; one six and the other fourteen miles long, and thereby securing control of traffic and passenger travel which has paid handsome dividends on the cost."<sup>131</sup> Rather than watch these profits go into the hands of Portland capitalists, the NPRR agreed to purchase the Portland corporation.

The details of the sale benefited both parties. In April 1872 the NPRR purchased a three-quarter interest the OSN for \$1,500,000. Cooke agreed to give the OSN \$750,000 in NPRR bonds, and \$750,000 in coin. In an interesting manipulation of company finances, Cooke borrowed against the earnings of the OSN and agreed to pay the old

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<sup>130</sup> W. Milnor Roberts, *Special Report of a reconnaissance of the route for the Northern Pacific Railroad between Lake Superior and Puget Sound, via the Columbia River, made in 1869 by W. Milnor Roberts, U.S. Civil Engineer, under the direction of Messrs. Jay Cooke & Co. Bankers* (Philadelphia: McLaughlin, 1869), p. 7.

<sup>131</sup> W. Milnor Roberts, *Special Report of a reconnaissance of the route for the Northern Pacific Railroad between Lake Superior and Puget Sound, via the Columbia River, made in 1869 by W. Milnor Roberts, U.S. Civil Engineer, under the direction of Messrs. Jay Cooke & Co. Bankers* (Philadelphia: McLaughlin, 1869), p. 17.

owners \$250,000 from OSN profits, and \$500,000 more at a fairly liberal interest rate.<sup>132</sup> The NPRR owners did not incorporate the OSN property into their corporation, but rather kept the Oregon concern a distinct corporate entity capable of billing and offering dividends beyond the constraints of the NPRR charter. Cooke wrote to one correspondent, “They think that the two millions will be returned in earnings in three years, as the commencement of the Northern Pacific from the terminus of their lines eastwardly will create an immense amount of travel and development of business in various ways, to say nothing of the large new business of the Northern Pacific R.R. itself.”<sup>133</sup>

The board members profited not only from the monetary value of the sale, but also from their new position as what Cooke referred to as the road’s “Western Associates.” Preferring to simply enjoy the fruits of the OSN business rather than try to run the Oregon company from the distant NPRR headquarters, the transcontinental decided to leave the management of the company in the hands of its former owners. The NPRR realized the benefits that powerful local figures could bring to their project and also made Ainsworth an official western director of the road.

Ultimately, the NPRR purchase of the OSN changed little in the power relations among transportation interests in the Pacific Northwest. The transcontinental built some 25 miles of rail from Kalama, a small town on the Columbia River downstream from Portland, to the tidewater at Tacoma late in 1873. When Cooke suffered financial failure in the fall of 1873, he used the OSN stock to help satisfy his many creditors, and the NPRR lost any control it might have had over the steamboat line. Initially, the OSN board suffered from Cooke’s collapse: the NPRR bonds which had made up half the purchase price for the OSN fell from 90¢ to 10¢. In addition, the board was worried that

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<sup>132</sup> Ellis Paxton Oberholtzer, *Jay Cooke, Financier of the Civil War*, vol. II (Philadelphia: George W. Jacobs and Col., 1907), pp. 348–49; John L. Harnsberger, “Jay Cooke and Minnesota: The Formative Years of the Northern Pacific Railroad, 1868–1873” (Ph.D., University of Minnesota, 1956), pp. 91–92.

<sup>133</sup> Cooke to Puleston, 11 April 1872, quoted in John L. Harnsberger, “Jay Cooke and Minnesota: The Formative Years of the Northern Pacific Railroad, 1868–1873” (Ph.D., University of Minnesota, 1956), p. 93.

outsiders or rivals might purchase the OSN stock from Cooke and take control away from Portland.

As they had done in 1867, the board tried to gain a controlling interest in the OSN stock. The former owners once again used their geographic position, which now seemed remote and isolated to Cooke's creditors, in their bid to regain control of the OSN. Reed wrote to Tilton, Ladd's banking partner who now resided in New York, that the company's affairs were not as promising as they had been when Cooke agreed to take on the OSN, for recent expenditures on the portage railroads and new boats had made a considerable dent in the company's finances.<sup>134</sup> In addition, it appears as if the board put a near halt on declaring dividends after Cooke's failure. Although the company records are incomplete for 1876, the OSN declared dividends amounting to only 4.5% in the four years after Cooke's failure.<sup>135</sup> For their part, Cooke's creditors had almost no idea as to the company's finances. They had agreed to take the OSN stock at 40¢, but the majority of stockholders immediately looked to the New York stock exchange to rid themselves of this isolated steamboat holding.

The various owners of OSN stock, former creditors of Cooke were desperate to rid themselves of it. Some even turned to the OSN board in Portland asking if the old owners could find persons in Oregon interested in purchasing the stock. Although Cooke repeatedly pleaded with the OSN board to declare more dividends and make the stock more appealing, Ainsworth and his associates resolutely refused. Instead, they replied to anxious creditors that even in Portland, OSN stock was difficult to unload and that the company simply did not have the capital reserves to declare dividends. Reed took charge of these affairs and typically replied that he had found "a party" willing to take on the stock, albeit at a much reduced rate. Reed and his associates bought some shares for as little as 13¢, but the average was 20¢.<sup>136</sup> Not long after, the original OSN directorate

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<sup>134</sup> Simeon G. Reed to C.E. Tilton, 9 February 1875, in Reed Letterbooks, vol. 7. Special Collections, Reed College.

<sup>135</sup> See "Oregon Steam Navigation Company Minute Book," in Oregon Steam Navigation Company Papers. Special Collections, Reed College.

<sup>136</sup> See Simeon G. Reed to Hallet Kilbourn, 19 August 1875, in Reed Letterbooks, vol. 7. Special Collections, Reed College.

bought back nearly all the company stock. In the year after regaining majority control, the same year the company paid \$320,000 to purchase the Dr. Dorsey Baker's Walla Walla & Columbia River Railroad, the OSN declared dividends amounting to 11%.

### *The Villard Interests*

Back in control of the company they had built, the OSN board members—Ainsworth, Reed, Thompson, and Ladd—quickly recovered any losses they might have suffered as a result of Cooke's failure. Indeed, by the late 1870s, transportation in the Pacific Northwest looked much the same. The OSN was in secure control of the Columbia River, the traffic of which was steadily increasing, and the Willamette River and transportation in that valley was also ruled by a monopoly. However, the ownership of the Willamette Valley monopoly had changed. Gone was the rough-hewn, brash, imperious, and arrogant Ben Holladay, a victim of his tendency to overspend on construction. In his place was Henry Villard. Although Villard styled himself a much more refined character, he was just as brash, imperious, and arrogant as Holladay. Now in control of Holladay's empire, Villard sought to unite the entire region under the "harmonious" influence of a single corporation in the hopes of ending the disastrous rate wars and competition that brought ruin to the region's transportation companies (like Holladay's), and ultimately impeded the progress of the Pacific Northwest. The OSN viewed Villard initially as a threat, but eventually the two sought agreement. Villard purchased the OSN, this time incorporating it into a new company, unlike his NPRR predecessors. But similar to the negotiations between the OSN and the NPRR, the company's dealings with Villard demonstrate the importance and power of local knowledge when it comes to international corporations.

Henry Villard, the representative of German bondholders who forced Benjamin Holladay to give up control of his Oregon transportation interests, did not secure an agreement with the various Holladay properties until February 1876. When he did, he traveled to Oregon to choose a management teams for two railroads in the Willamette Valley and an line of steamships operating in the valley and between San Francisco and

Portland. Villard returned to Boston and tried unsuccessfully to harmonize the operations of all three concerns. Through the Willamette valley properties Villard's management had a firm grasp on that river valley, but only a tentative hold on the coastal connection. Willamette produce was not enough to sustain the Oregon Steamship Company, and the increasing shipments from the interior were beginning too attract competition. By 1877, there were two rival steamship companies operating between Portland and San Francisco, and Villard had to reduce rates to compete with the new lines.<sup>137</sup> A brief but intense rate war erupted and Villard directed the western management of the rail lines to lower rates to keep up with the reduced fares on the steamboats operating on the Willamette. Profits for all the companies began to dry up and European bondholders began to fear their investments were in grave danger. As a result, the railroad bondholders and the steamship creditors dissolved their agreement. Villard's intended monopoly was in shambles.

Villard wanted to shore up his connection to markets beyond Oregon. As head of the Oregon and California Railroad, Villard understood the power of rails, and their ability to dominate a landscape. Ocean going steamships, he knew, were not nearly as stable as steel rails. Whereas a railroad could monopolize a landscape, a steamship company was constantly vulnerable to a competitive attack. In Oregon, the high initial cost of a railroad kept most systems relatively secure, but the relatively low-cost of leasing, or even purchasing a steamship, made the threat of a rate war an everyday possibility. Worse, Villard's interests were beholden to the OSN because the rail system along the Willamette River, although strong, simply did not draw enough freight to sustain the Oregon Steamship Company. The best way to shore up his investment in the Willamette Valley was to gain control of the Columbia River. Villard's other option was to by-pass the San Francisco market completely by attracting enough capital to build an overland connection with the Union Pacific. Henry Villard, never a man to shrink from the enormity of a scheme set out to finance both. The bondholders of the former Holladay

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<sup>137</sup> James B. Hedges, *Henry Villard and the Railways of the Northwest* (New Haven: Yale University Press, 1930), p. 16.



companies were eager to rid themselves of their investments and Villard saw the opportunity as a means of harmonizing the various transportation interests in the region.

Villard and the OSN board began a complicated negotiation intended to control Oregon's trading trails. As early as 1876, the two parties had discussed a transcontinental connection seemingly at the behest of the OSN. The plan was dropped, however, when the Oregonians failed to revive the Columbia River-Utah scheme Reed had pushed in Congress ten years before.<sup>138</sup> Villard countered two years later when contemplating the opportunity to purchase the old Holladay companies. In May 1878, he wrote to Ainsworth proposing "a scheme for the consolidation of our mutual interests."<sup>139</sup> Villard offered to purchase the OSN, incorporate it into a new company in which the OSN board members would be heavily interested and therefore manage. Villard would incorporate the transportation companies that he controlled, including the east and west side roads in the Willamette—Oregon & California Railroad and the Oregon Central Railroad—and the Oregon Steamship Company. Villard left the particulars of price open, but went into detail about the financing. Each company could be purchased, Villard noted, by a distinct corporate entity, a holding company that would raise \$3,875,000, which was approximately one-half the valuation of, or a majority interest in, each rail or steamboat line which would retain "separate organization." Villard would finance the debt with 4% bonds which the financier estimated could be paid off by new company's receipts within three years.

Ainsworth and his associates reacted coolly to Villard's offer, while Villard marched on toward its completion. It was one thing to ally themselves with an established company backed by a noted financier, as was the case with the NPRR and Cooke, but entirely another to go along with a former newspaper man offering to unite the entire Northwest into a single company! "This Villard is overly sanguine," Tilton wrote

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<sup>138</sup> Simeon G. Reed to Henry Villard, 21 September 1876, in Reed Letterbooks, vol. 7. Special Collections, Reed College.

<sup>139</sup> Henry Villard to John C. Ainsworth, 11 May 1878, in Henry Villard Business Papers, vol. 20. Baker Library, Graduate School of Business Administration, Harvard University.

dismissively to Ladd.<sup>140</sup> Indeed this new company may have appeared a pipe dream to the OSN board and they rejected it out of hand. Villard, however, had just successfully completed negotiations with Jay Gould to keep control of the Kansas Pacific. In the meantime, Gould and Sidney Dillon of the Union Pacific, along with financier Russel Sage had agreed to fund the proposed holding company if the Oregon interests would provide the UPRR with a Pacific connection from Salt Lake to the Columbia. Consequently, Villard left for Oregon in the spring of 1879 armed with a new corporation, the Oregon Construction and Improvement Corporation, empowered to purchase controlling shares in any of the existing companies that Villard hoped to incorporate.<sup>141</sup>

When Villard came to Portland in 1879, the OSN grew anxious at his ambition. Villard was using his new connections with eastern capital in an attempt to induce OSN to sell. He let it be known that Gould, Dillon, and Sage were behind his new concern, and that their intent was to build a connection with the UPRR. The OSN viewed his overtures more as a threat than a plan of cooperation. Writing to C.B. Wright of the Northern Pacific, Ainsworth took a characteristically belligerent stance. "If we are forced into a fight with Villard and his party, I want to 'carry the war into Africa,'" Ainsworth blustered. "Villard is now up the river taking observations, I think he wants to hitch up with us, and failing in that will attack us. I doubt if we can agree and I want to be ready for the worst."<sup>142</sup> Villard countered the OSN's fears with promises of cooperation. Thompson, who was interested in retiring to California, met Villard in Portland where Villard revealed his intentions to "combine the property of the O.S.N.Co. with the ships and R. roads ... then commence building a system of narrow gauge roads in Eastern Oregon and Washington Territory." This plan differed from purchasing a controlling interest in the OSN, Thompson told Reed. Villard's new plan created an entirely new

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<sup>140</sup> Charles E. Tilton to William S. Ladd, 24 May 1879, in Reed Letterbooks, vol. 7. Special Collections, Reed College.

<sup>141</sup> James B. Hedges, *Henry Villard and the Railways of the Northwest* (New Haven: Yale University Press, 1930), p. 56.

<sup>142</sup> John C. Ainsworth to C.B. Wright, 12 May 1879, in John C. Ainsworth Collection, vol. 2, Letters sent 1874-1880. Division of Special Collections & University Archives, University of Oregon.

company and the German financier intended to “leave the management of the whole business in our party in Portland.”<sup>143</sup>

With promises of influential spots on the board of the new company and a large hand in running it, the OSN board decided to sell. Ainsworth and Villard toured the OSN’s facilities, which included 26 steamships, the portage railroads, wharves and docks in Portland, Oregon City, Umatilla, and Astoria, as well as the railroad from Wallula to Walla Walla. Ainsworth later remarked that “they had a very nice journey.”<sup>144</sup> When Villard broached the topic of buying an interest in the company, Ainsworth valued it at \$5 million, and refused to sell a simple majority of stock. Instead he demanded Villard pay half the valuation in cash and half in stocks and bonds of the new company.

By the end of May, Villard agreed to the sale, and soon after formed the Oregon Railway & Navigation Company (OR&N). Its only assets were the former property of the OSN, but the new company had sweeping articles of incorporation which empowered it to control the entire Northwest, provided it secured the funding. The articles gave the new company the right to run steamships on nearly every navigable waterway in the northwest and build a system of railroads in eastern Oregon and Washington which would funnel agricultural commodities and mineral resources of the Northwest into the growing entrepôt of Portland.<sup>145</sup> Although Gould and his financial associates failed to provide Villard with funds for the scheme (for they were concerned that the CPRR might retaliate when it learned of the UPRR’s intention to build to the Pacific) Villard was going to organize and control the Columbia valley “with a view ... to their ultimate connection with” the UPRR’s branch into Idaho.<sup>146</sup> He secured a mortgage with a New York banking firm, the Farmers Loan and Trust company and soon after formed a syndicate to purchase controlling interests in the former Holladay properties, which remained distinct corporate

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<sup>143</sup> Robert R. Thompson to Charles E. Tilton, 25 April 1879, in Reed Letterbooks, vol. 7. Special Collections, Reed College.

<sup>144</sup> John C. Ainsworth, “Reminiscences.” Oregon Historical Society, MSS 989.

<sup>145</sup> “Oregon Railway & Navigation Company, Articles of Incorporation and By-Laws of the Oregon Railway and Navigation Company” (New York: Evening Post Steam Presses, 1879). For more details on the OR&N articles of incorporation, see chapter 4 below.

<sup>146</sup> Henry Villard to Jay Gould, 19 June 1879, in Henry Villard Business Papers, vol. 34. Baker Library, Graduate School of Business Administration, Harvard University.

entities. At the OR&N, Villard was president of the company, but his position was merely nominal. To actually run the new concern he chose Ainsworth, “instead of attempting the task of meddling with the details of management from this distance.”<sup>147</sup>

For three years after the formation of the OR&N, the former members of the OSN board aided in the management of Villard’s scheme. When Villard suffered a financial reverses in 1883, Ainsworth, Reed, Thompson, and Ladd did not regain control. Instead, ownership of the Columbia highway passed to the next generation of managers which the former OSN board members cultivated during Villard’s reign. By 1884, the OR&N had completed a line down the Columbia River and its management team had gained valuable experience building the line. The former OSN owners were unwilling to continue to gamble in what they perceived as the seemingly unstable and unmanageable world of railroad investment. They became almost too cautious, too fearful of protracted debt, to remain heavily invested in the successive railroads. But more importantly, by the time of Villard’s failure, the OSN could no longer deny other investors knowledge about the region. The OR&N management team was more than just Ainsworth and his OSN associates, and these new managers had ties to railroad investors beyond the region. When Villard’s financial house of cards collapsed, due primarily to his tendency to purchase properties that posed competitive threats to the OR&N, other New York and Boston investors quickly moved in to take advantage of the opportunity to purchase what they knew was a paying road for pennies on the dollar.

## **Conclusion**

Corporate monopolies such as the OSN were based upon a close relationship between the state and capital. Although entrepreneurial and corporate challenges illustrate that monopolies were not the product of a simplistic relationship between the two. Neither capital nor the state were monolithic entities. Fissures in both meant that the OSN monopoly was not stable nor was it easy to maintain. The company’s control of the

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<sup>147</sup> Henry Villard to John C. Ainsworth, 9 January 1880, in John C. Ainsworth Collection, box 8, folder 3. Division of Special Collections & University Archives, University of Oregon.

Columbia River stemmed from its paper landscape, its property rights, built atop the rapids at the Cascades. Paper landscapes, however, exist only in the eyes of the state. The Bradford land claims, the special charter of the Cascade Railroad Company, and the various Ruckel and Olmstead land claims were a set of property rights granted and secured by state power. But the power inherent in the property rights at the portages was dependent upon the willingness of the state to grant a single corporate sole ownership of a specified piece of ground.

Maintaining the privileges associated with corporate domination did not come cheap. Problems for the OSN arose from the fact that a multitude of state actors determined property ownership—state and territorial legislatures, Congress, county and U.S. district courts. To stabilize its control, the OSN had to deal with all of them. Corporate challengers understood the fractured landscape of state power and used it to attack the company's most important, and probably, most vulnerable asset: its geography. On the north bank, Parsons, Baker, and Ankeny, as well as others before them, used popular sentiment against the OSN to convince the territorial legislature to issue special charters for the sole purpose of bringing competition to the river. Chapman capitalized on the perceived need for a transcontinental railway connection to challenge OSN ownership of the south bank. When the OSN ignored these rival paper landscapes, entrepreneurs tried to use the power of the courts to force action on their charters.

The OSN negotiated the fissures within the state to counter these threats. By using its influence with Oregon's congressional delegation, the OSN convinced the federal government to reverse the actions of the territorial legislature, while in Oregon, a trained legal staff convinced multiple juries to keep the land out of Chapman's hands. The OSN owners were mostly successful defending their monopoly, but the challenges themselves illustrate both the strength and fragility of the relationship between the state and capital. What is important is the fact that the very legal claims which gave the OSN the right to operate along the Cascades, gave others the right to challenge OSN dominance.

Finally, the OSN monopoly might have been simply a paper fiction if it were not for the physical geography of the Pacific Northwest. Place played an important role in

securing the Columbia River for the OSN. The river itself provided a barrier to shipping, and the OSN used their control of the portages as a means to control the entire river. Corporations intending to break the OSN domination of the river could either chip away at the very rocks and boulders that made up the rapids, or they could break apart the paper landscape that the OSN built atop the river. Both were costly propositions, but challengers felt that a paper landscape was more vulnerable than one built in solid basalt. What these challengers failed to recognize was that the OSN had sought to make the two landscapes indistinguishable. By enjoying extended legal control over the physical portages, the OSN nearly eliminated the distinction between the two. The OSN turned the profits it earned from the many shipments over the portages and along the river into a large store of capital and an experienced legal staff well versed in appealing to the various branches of government to eliminate competitors or prolong their attacks.

If geographic information, in the form of property rights, was essential to the OSN victories against local capital, then geographic knowledge provided the basis for the OSN success with respect to non-local capital. In 1872, the OSN board sold control to the Northern Pacific Railroad for a considerable sum, but retained management of the steamship company. When Jay Cooke failed in 1873, the board, in full knowledge of the OSN's position on the Columbia used the relative obscurity of the corporation in the financial circles of the metropolis to regain ownership for literally a fraction of the selling price. When Henry Villard became interested in completing the Portland connection, the board once again demanded a king's ransom for their property, once again obtained it, and once again the old board remained an integral part of the management scheme. By the time of Villard collapse, however, Oregon was no longer an unknown region, a blank space on a map, or a peripheral position which allowed for some of the wilder and more ludicrous claims of international investors. As we will see in the next chapter, resident managers who traveled to Oregon in the employ of Villard spent nearly four years completing the transcontinental connection that Oregonians so long had desired. Knowledge of the region was still essential in the control of its transportation, but the OSN board could no longer claim a monopoly on both.



### **3. Building a Better Connection**

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## **Implementing The Oregon Railway & Navigation Company's Vision of Oregon**

*I shall hope that you will visit Oregon early in the spring. ... Things look differently from this stand point from what they do in Wall Street.*

– John C. Ainsworth to Henry Villard, 8 January 1880<sup>1</sup>

*To make this plain, let me refer to the map.*

– Henry Thielsen to Henry Villard, 30 July 1880<sup>2</sup>

*I am very favorably impressed with the proposed system of roads.... Of course all details I leave entirely to you.*

– Henry Villard to Henry Thielsen, 5 July 1879<sup>3</sup>

When Henry Villard incorporated the Oregon Railway & Navigation Company in June 1879, the financier thought he could “harmonize” the various competitive transportation interests in the Pacific Northwest. Tired of rate wars with coastal steamship companies and sagging profits from his Willamette Valley roads, the German financier sought to expand his empire and thereby reap the rewards that monopolization would surely bring. His project, however, required knowledge. He needed more information about the Northwest in order to attract capital from American and European bankers, while at the same time he needed a better sense of the region to make his vision a reality. Viewing the Northwest from New York, Villard realized that his vision was incomplete at best. This chapter investigates the role that geographic information played in the completion of the OR&N, and the complex manner in which OR&N employees created and utilized that knowledge.

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<sup>1</sup> John C. Ainsworth to Henry Villard, 8 January 1880, in John C. Ainsworth Collection, vol. 3. Special Collections Library, University of Oregon.

<sup>2</sup> Henry Thielsen to Henry Villard, 30 July 1880, in Henry Villard Business Papers, box 22, folder 191. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>3</sup> Henry Villard to Henry Thielsen, 5 July 1879, in Henry Villard Business Papers, vol. 34. Baker Library, Graduate School of Business Administration, Harvard University.



Transportation schemes were an exercise in landscape interpretation. Railroad companies, and railroads themselves, created space based on a working interpretation of the areas they hoped to control. Without some understanding of the physical facts of Oregon, however abstract, biased, or ideologically driven, Villard's scheme would have faltered.<sup>4</sup> The OR&N's construction of profitable railroad lines and investment in the natural resources of the Pacific Northwest was all based on the ways in which the company envisioned the territory it sought to control. In addition, there was an important legal component of the OR&N's landscape visions. Geographic information was the basis of corporate property ownership in the American West. Because so much of the western landscape was federally owned, and the West was so sparsely populated, state and federal governments encouraged corporations to invest in and "develop" the region. In many cases, the government granted corporations property rights just on the basis of the ability to map the terrain they sought to occupy!

The OR&N engaged the laws and institutions of the State of Oregon and the federal government to cement its understanding of the region's economic geography. In other words, corporations used the power inherent in the state to enact their unique landscape visions. Before any steel rails were laid, the OR&N created a corresponding

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<sup>4</sup> Historians of cartography argue that geographic information, no matter how "exact" or "scientific" is never an exact replication of the landscape itself. Instead, geographic knowledge is the product of a complex set of cultural imperatives, ideologies, and biases that better reflect the producers of that knowledge more than the landscape they hope to describe. See Matthew H. Edney, *Mapping an Empire: The Geographical Construction of British India, 1765–1843* (Chicago and London: University of Chicago Press, 1997); J.B. Harley and David Woodward, eds., *The History of Cartography*, vol. 2.1 (Chicago: University of Chicago Press, 1992); and Susan Schulten, *The Geographical Imagination in America, 1880–1950* (Chicago: University of Chicago Press, 2001). It is not my intention to argue that the geographic and cartographic knowledge produced by OR&N managers in the Pacific Northwest was "accurate," or to insist on a progressive narrative of cartographic knowledge. My use of the terms geographical information and knowledge in no way supposes that the knowledge created by western managers and engineers was a direct representation of the western landscape, nor was it a transparent recreation of the physical world as it existed in Oregon. Rather, the ambiguous vision of the Northwest held by Villard and the OR&N eastern directors was not sufficiently complex to successfully negotiate railroad incorporation law and statutes governing private property. In addition, American and European bankers as well as the eastern directors of the OR&N demanded geographic information that appeared more nuanced in order to fully fund the road's grand vision. Hence, the narrative here is not one from incorrect or incomplete knowledge to a complete archive of knowledge. Instead I am trying to show that the OR&N's vision of the Northwest went from broad and sweeping general knowledge to a more intricate and complex set of geographic information, that was just as ideologically "loaded" as the information it sought to replace.

paper landscape that had nearly as much power to control Oregon's trade as the steel rails. Articles of incorporation, surveys, maps, and deeds of property gave the OR&N a monopoly over the landscape before it graded a mile of track. Historian William H. Goetzmann called the U.S. Army Topographical engineer's use of maps and surveying expeditions in the American West an "Imperial" claiming of the West. And just as the topographical engineers used maps to assert control over the western landscapes, so did industry. Using articles of incorporation and maps of location, corporations engaged the legal framework the government built for corporate ownership of private property to assert their own control of the landscape, or their "right-of-way." Over the years their rights-of-way, and the monopolies they granted, would be challenged: by other corporations, local farmers, laborers, and native residents. This chapter, however, focuses on the construction of that right, the initial production of capitalist space, and its foundations in landscape perception.

But geographic information about the American West on the eve of industrialization was hard to come by. Villard did not build his "empire," from a precise understanding of Oregon. He and the rest of the OR&N's eastern directorate had only a vague understanding of the landscape they hoped to control. Instead, he relied on resident managers—both longtime residents of Oregon and men sent by the company—who lived in the region at the behest of the OR&N. These resident managers produced, transmitted, and codified geographic knowledge and used it to run the OR&N. They refined and enacted Villard's grand vision.<sup>5</sup>

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<sup>5</sup> Historians of the OR&N have placed the Villard at the center of the road's progress and development. They have interpreted the initial success of the road as proof of Villard's mastery over the region. I argue, however, that they have overemphasized Villard's role and overlooked the role of local managers. See James B. Hedges, *Henry Villard and the Railways of the Northwest* (New Haven: Yale University Press, 1930); Peter J. Lewty, *To the Columbia Gateway: The Oregon Railway and the Northern Pacific, 1879–1884* (Pullman, Wash.: Washington State University Press, 1987); Carlos Schwantes, *Railroad Signatures Across the Pacific Northwest* (Seattle, Wash.: University of Washington Press, 1993). Using insights about management structures from business history I want to stress the relative power middle and upper level managers had over owners and directors, especially when separated by great geographical distances. On management hierarchies and the rise of the middle manager, see Alfred D. Chandler, Jr., *The Visible Hand: The Managerial Revolution in American Business* (Cambridge, Mass.: The Belknap Press of Harvard University Press, 1977).

Western managers of the OR&N had immense control over how and where the road was built as well as its daily operation. As residents of the Pacific Northwest the Oregon managers occupied a unique position which allowed them greater access to and control over geographic knowledge. Their power, and Villard's weakness, lay in the ability to create and control this knowledge. The western managers were able to monopolize information about the Oregon landscape, and use that information to direct Villard's funding of the road. Although Villard had the power of ultimate decision, it was his managers that posed the questions, suggested the solutions, and implemented railroad policy. In the end, their importance for the company, long overlooked by historians of transportation in Oregon, was equal to, if not greater than Villard's. Villard, who resided in New York and made only occasional trips to the Pacific Northwest could not have intelligently directed the road's operation, a fact of which he was acutely aware. Hence, Villard usually acquiesced to his managers' various requests for funds. From the location and proposed construction of the various lines, to demands for capital improvements, advice concerning investment opportunities, Villard was utterly dependent upon his Oregon managers in every aspect of the creation and operation of the road.

Some historians have labeled capitalism in the West a colonial project.<sup>6</sup> The West was a peripheral region dependent upon and beholden to the events and conditions of the core. Even if this is the case, another metaphor from colonial history provides us with a more balanced historical portrait. If capitalism was colonial, then its success depended upon a class of colonial "collaborators" whose ties and connections to metropolitan centers of finance allowed them to benefit from the growth of the very system that exploited the region's natural capital. The story of western resident managers points to the importance of the periphery in the larger story of capitalism in the West. Both longtime residents, like Ainsworth and Reed, as well as new arrivals, such as the surveyors and managers employed by the OR&N, played a role in capitalist expansion by

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<sup>6</sup> For an example, see William G. Robbins, *Colony and Empire: The Capitalist Transformation of the American West* (Lawrence: University Press of Kansas, 1994).

making and implementing OR&N policy on the ground while eastern directors such as Villard stood to benefit from the successful movements of these western collaborators.

### **Projecting an Empire: The Articles of Incorporation of the OR&N**

After Villard secured funding for the syndicate's purchase of the OSN, he immediately hired lawyers to draft articles of incorporation for a new corporation. The OSN articles limited the company's railroad efforts to river portages, so Villard and the rest of his management had to dissolve the steam boat line and transfer its property to a new corporation, the Oregon Railway & Navigation Company (OR&N). Into this company, they also incorporated the property of the Oregon Steamship Company, and Villard hoped the two railroad lines in the Willamette would eventually become company property.<sup>7</sup> Villard and his management in New York drafted articles that were substantially different from those which governed their corporate ancestors, the OSN and the OSS. These new articles created an imperial corporation with broad powers authorizing it to engage in nearly every arena or northwestern trade. Article three, section one of the company's articles, entitled "The Business of this corporation" read like a financier's wish list of trading routes through the region complete with railroads, steam boat service, ocean lines, docks, wharves, warehouses, and even telegraph facilities.<sup>8</sup>

The articles of incorporation for the OR&N's projected empire were representative of the incorporators' combined vision of the region. The articles of incorporation for the OR&N were a prophesy on paper, and reading them can give us an insight into the prophets. The geographic information contained in the articles illustrate the incorporators intentions and the boundaries of their knowledge. But the articles owed their shape to other concerns as well. The demands of space forced the OR&N incorporators to envision a literally limitless territory for their new concern. Unlike their

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<sup>7</sup> Villard and his syndicate owned a majority of the Oregon Central Railroad, but they were still working on eliminating the Frankfort bondholders from Oregon and California Railroad. See Dietrich G. Buss, *Henry Villard: A Study of Transatlantic Investments and Interests, 1870-1895* (New York: Arno Press, 1976), pp. 99-110.

<sup>8</sup> See "Oregon Railway & Navigation Company, Articles of Incorporation and By-Laws of the Oregon Railway and Navigation Company" (New York: Evening Post Steam Presses, 1879).

predecessors the OSN and the OSS, the OR&N intended to span the continent and connect with other Pacific ports—some not even in existence. The incorporation laws of Oregon and the United States demanded that companies specify every and all geographic arenas of the operation, thus the incorporators had to articulate regions and connections of which they were unaware and those that did not yet even exist. Geography forced changes in the very legal formation of corporations.

The language of the articles, intended to enhance a pre-existing commercial geography in the Pacific Northwest, was both precise and ambiguous. The articles were guided by the precise knowledge of the former OSN owners, which centered on the Columbia trunk, and Villard's vague hopes for bringing northwestern resources to new markets.<sup>9</sup> The resulting document identified three arenas for trade—local traffic, ports of call on the Pacific coast, and a transcontinental connection (see maps 8 and 9).

The spaces of local traffic defined by the articles were fairly specific. The Palouse region north of the Snake and the Grande Ronde Valley south of the river would be centers of agricultural production providing freight for the company down the Columbia trunk initially on the former OSN boats, and eventually on the rails of the OR&N. These spaces were serviced by six new trunk and branch rail lines, intended to tap the interior and transport its freight to market. The trunk line ran “along the south side of the Columbia River, between Portland and Umatilla.” At Umatilla, the system split, a second line to Boise would cross the Blue Mountains to tap the Grande Ronde and Powder River valleys and possibly connect with the UPRR. A third line continued up the Columbia to Wallula, in Washington territory where the system would branch again to secure the produce of the Walla Walla county. At Wallula, the incorporators projected a fourth line “by way of Weston, southwardly” to connect with the Boise line, and a fifth via Walla Walla and Dayton to the Snake River. Finally, the sixth line would run from the confluence of the Palouse and Snake rivers, through the Palouse country and northeastward to the headwaters of the Spokane river, in Idaho. Augmenting this interior

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<sup>9</sup> Henry Villard to John C. Ainsworth 9 January 1880, in John C. Ainsworth Collection, box 8, folder 3. Special Collections Library, University of Oregon.

system were the Oregon & California Railroad and the Oregon Central Railroad in the Willamette, and “steamboats on the Columbia, Willamette and Snake rivers.”<sup>10</sup> The articles also clearly identified the Pacific ports which the incorporators intended to service. The document listed lines “between the ports of Portland, Astoria, Victoria, Sitka, [and] San Francisco.”<sup>11</sup>

If the OR&N incorporators defined a very precise regional empire of railroad lines and coastal ports, they also consciously blurred the geographic precision of routes and connections. Upon a close reading, the very concrete commercial geography in the OR&N articles gives way to an ambiguous geographic projection equally imperial in its outlook. The second section of article three bestowed upon the company the right to “purchase or consolidate with or lease or operate and maintain ... any railroad or railroads in Oregon, Washington, Idaho or Utah.” The articles also maintained the legal right to

facilitate and assist the construction, building, extension, equipment and operation of any railroad line steamship line or steamboat line in Oregon, Washington or Idaho or steamship line running from Portland to any other ports on the Pacific Ocean, and connecting or intending to connect or exchange traffic with the railroads, steamships or steamboats of this corporation... and to consolidate with or to lease or contract for the operation ... of any and all such railroad, steamship or steamboat companies so aided and to obtain aid from Congress, or the Legislatures of Washington, Idaho and Utah Territories, the necessary charters or other legislative authority for the extension of the railroads of this company into said Territories, or for the carrying out of any other of the objects herein specified.<sup>12</sup>

If this open-ended conception of the region’s interior were not enough, the incorporators also blurred the precise commercial geography spelled out in the section on Pacific ports of call for the company’s coastal steamship line. In addition to the long list of American and Canadian destinations, the articles included “any other ports in the North Pacific

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<sup>10</sup> “Oregon Railway & Navigation Company, Articles of Incorporation and By-Laws of the Oregon Railway and Navigation Company” (New York: Evening Post Steam Presses, 1879).

<sup>11</sup> “Oregon Railway & Navigation Company, Articles of Incorporation and By-Laws of the Oregon Railway and Navigation Company” (New York: Evening Post Steam Presses, 1879).

<sup>12</sup> “Oregon Railway & Navigation Company, Articles of Incorporation and By-Laws of the Oregon Railway and Navigation Company” (New York: Evening Post Steam Presses, 1879).

Ocean.”<sup>13</sup> These vague and open-ended geographies were the product of both the incorporators understanding of the region and the demands of incorporation law.

Unlike its predecessors, the OSN and OSS, the OR&N sought to control the interior trade of a much larger region as well as its connections to the rest of the globe. The company required ambiguous geographical language to legally prosecute some of its more imperial dimensions. Incorporation law in Oregon demanded that “if the corporation is formed for the purpose of navigating any stream or other water, or making or constructing any railway,” then the articles specify “the termini of such navigation [or] road.”<sup>14</sup> Ambiguous geographic language provided the OR&N with the flexibility so essential for the transcontinental connection Villard, Ainsworth, and their associates desperately desired. Gould and the UPRR owners had demurred when Villard pressed them about negotiating a connection with the Utah and Northern line in Idaho.<sup>15</sup> The UPRR was unwilling to make a public agreement, fearing retribution from Colis Huntington and the CPRR. In addition, Frederick Billings had just helped to reorganize the Northern Pacific and Villard wanted to maintain the possibility of a connection with that road.<sup>16</sup> The OR&N is typical of the larger corporations formed in the late nineteenth-century who sought to create entire regions out of geographic space and control their commerce. Corporations needed the flexibility inherent in vague geographic projections.

There was another legal concern guiding the articles of incorporation: rights of way. Both state and federal law provided a unique legal framework in which transportation corporations could secure the private property upon which they would build their railroads. The Oregon incorporation law declared that railroad corporations

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<sup>13</sup> “Oregon Railway & Navigation Company, Articles of Incorporation and By-Laws of the Oregon Railway and Navigation Company” (New York: Evening Post Steam Presses, 1879).

<sup>14</sup> “Of Private Corporations—Their Formation and the Appropriation of Land for Corporate Purposes” 14, October 1862, in State of Oregon, *Organic and Other General Laws of Oregon: Together with the National Constitution, and Other Public Acts and Statutes of the United States. 1843–1872* (Salem, Oregon: Eugene Semple, State Printer, 1874), p. 525.

<sup>15</sup> See copy of Jay Gould to Henry Villard, 19 June 1879 in Simeon G. Reed to John C. Ainsworth, 19 June 1879, in John C. Ainsworth Collection, box 7, folder 9. Special Collections Library, University of Oregon.

<sup>16</sup> Henry Villard to John C. Ainsworth, 17 December 1879, in John C. Ainsworth Collection, box 8, folder 3. Special Collections Library, University of Oregon.

“may appropriate so much of said land as may be necessary for the line of such road or canal” identified in the articles.<sup>17</sup> The articles therefore, became the basis for the railroad’s private property, or at least, its real estate. By legally articulating its goals, a corporation would have a right to gain control over the ground it wanted to own. Similarly, federal law provided a transportation corporation with free access to the public domain if the corporation would engage in the legal framework created by Congress. The federal law, broader and more relaxed than the Oregon law, granted railroads a right of way through the public domain if the railroad followed a prescribed set of steps. A weary Congress passed “An Act granting to Railroads the right of way through the public lands of the United States,” in March 1875, after the major land grant railroads had received so much public criticism. Instead of outright grants to companies the legislators decided to scale back their railroad projects. Still, they understood that the cost of railroading was high, and the benefits of such an infrastructure were appealing so the Congress declared “The right of way through the public lands of the United States is hereby granted to any railroad company duly organized under the laws of any State or Territory,” free of charge. In order to secure this grant, a company needed to articulate its intended routes and then file “with the Secretary of the Interior a copy of its articles of incorporation, and due proofs of its organization under the same.”<sup>18</sup> After submitting maps of location to the Interior department, the government granted the road the right of way, defined as “one hundred feet on each side of the central line of said road,” as well as the right to take from the public lands “material, earth, stone, and timber necessary for the construction of said railroad; also ground adjacent to such right of way for station buildings ... not to exceed in amount twenty acres for each station.”<sup>19</sup>

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<sup>17</sup> “Of Private Corporations—Their Formation and the Appropriation of Land for Corporate Purposes” 14, October 1862, in State of Oregon, *Organic and Other General Laws of Oregon: Together with the National Constitution, and Other Public Acts and Statutes of the United States. 1843–1872* (Salem, Oregon: Eugene Semple, State Printer, 1874), p. 525.

<sup>18</sup> 18 Stat. 482. “An Act Granting to Railroads the right of way through the Public Lands of the United States.” 3 June 1875.

<sup>19</sup> 18 Stat. 482. “An Act Granting to Railroads the right of way through the Public Lands of the United States.” 3 June 1875.



When the OR&N managers filed their articles of incorporation, the state of Oregon and the federal government legally sanctioned the OR&N's claim on trading trails, waterways, and other resources in Oregon, Washington Territory, and the Pacific Coast. The articles claimed the landscape by engaging the legal framework for private property. When incorporators of the OR&N drafted the articles of incorporation they took the first step in the complex legal process that granted the company the right to control the ground upon which its railroad was to lay. The company implied ownership of a commercial landscape in its articles, and the state bestowed upon the company the right, as part of the legal apparatus of private property, to control that landscape.

Legal concerns were not the only ones that shaped the OR&N articles of incorporation. The OR&N articles of incorporation illustrate that the incorporators' understanding of the Pacific Northwest was incomplete at best. Villard had discussed the project with the owners of the OSN, who in their nearly twenty years of experience, understood the demands of the interior trade. Yet even much of the interior was still a blank space on the map with largely unknown natural resources. The geography contained within the OR&N articles rested largely upon the geographic knowledge contained in existing maps and booster literature a fact which is apparent in the document itself. The articles sometimes named mountain ranges over which, and valleys through which, the OR&N railroads would pass, but these were broad geographical terms with little meaning for the actual location of the railroad route. There was not a single mountain pass identified in various railroad projections. In addition, the OR&N incorporators, including the entrepreneurs who founded the OSN, interpreted the Pacific northwest through the lens of the frontier—as an empty landscape awaiting Euro-American settlement and exploitation. Even the fairly precise language of the railroad connections ignored military lands and Indian reservations that stood in the way of the proposed lines. It is obvious that the OR&N management had little precise knowledge of the region they hoped to create.

The articles of incorporation for Villard's enterprises are so vast because the incorporators knew so little and did not want to shut their doors on any opportunity for

profit. Their articles give us insight into the incorporators' intentions, the demands of geography, and the constraints of the law. They also illustrate a largely unformed understanding of the territory and expose a very limited knowledge of Pacific Northwest geography. In general terms, Villard sought to control the transportation of the natural resources of the Pacific Northwest to the San Francisco market, and create connections to alternate markets beyond. Although grand in scope, for the most part the project lacked specifics. In order to refine and accomplish the tasks contained within the articles, Villard as president and head of the corporation would come to rely heavily on the help of others.

### **Refining the General Object: The Pacific Northwest Surveys of Henry Thielsen**

While the charter's ink was still drying on the page, the road itself was a fiction, or more appropriately, it was merely an open option. The New York capitalists funding the road—Villard, C.E. Endicott, Richard Bretherton, and others—had used the charter to assert control over as many routes as possible knowing well that the OR&N would not build them all.<sup>20</sup> The financiers' view of the region was vague and their geographic knowledge thin. The OR&N's routes therefore, were not forgone conclusions, but rather idealized hopes based upon insufficient geographic knowledge. The New York financiers authorized expenditures upon specific routes only after consulting with and reviewing the geographic information sent by the OR&N managers who resided in Oregon—the vice president, Simeon Reed and later T.F. Oakes, chief engineer Henry Thielsen, and legal council J.N. Dolph. In order to understand how the OR&N enacted its monopolistic vision, we need to understand the system whereby western managers created, codified, and transmitted geographic knowledge. Because geography became the common vocabulary between western managers and eastern financiers, it gave the managers power over eastern directors.

The New York director most responsible for the final decisions of the road was the president, Henry Villard. Although Villard had been a nominal manager of

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<sup>20</sup> For more on the financiers who funded the OR&N, see Dietrich G. Buss, *Henry Villard: A Study of Transatlantic Investments and Interests, 1870–1895* (New York: Arno Press, 1976).

Holladay's transportation interests since 1876, he knew little about the region in which his railroads and steamships ran. Richard Koehler, the financial agent of the German bondholders, was in charge of the Willamette valley railroads and K. Van Oterendorp, a German steamship captain, headed up operations at the Oregon Steamship Company.<sup>21</sup> Villard's experiences in Oregon had been primarily as a financial negotiator for the German bondholders. His visits were sporadic and each one separated by a number of years. His office was in New York and he preferred not to travel to the western states. While Villard was negotiating with the OSN to purchase the Oregon property, between 1878 and 1879, he had considered relocating his wife and children to Portland. However he felt tied to the eastern seaboard for both person and financial reasons. His wife, Helen Frances, or Fanny, was the only daughter of abolitionist William Lloyd Garrison. Their relationship, often chronicled by historians, was so intimate that she nearly refused to be absent from her father.<sup>22</sup>

In addition, Villard thought of himself as a financier, not a manager. His relations with American bankers in Boston and New York, and European capitalists in London and Frankfurt was, in his mind, "the most important thing."<sup>23</sup> Shortly after the eastern directors had created the OR&N Villard told Ainsworth that he intended to "confine myself to the care of the financial interests of the company ... instead of attempting the useless task of meddling with the details of management from this distance." Maintaining close ties to European banks from Portland simply was simply logistically impossible so Villard opted to stay in New York. "I think I have rendered more benefit to the company," Villard wrote to Ainsworth, "by remaining here."<sup>24</sup> He asked Ainsworth to be the vice president of the OR&N, which in his words "will be the real executive head of the management." Villard told the former owner of the OSN that "it has been my constant

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<sup>21</sup> Dietrich G. Buss, *Henry Villard: A Study of Transatlantic Investments and Interests, 1870-1895* (New York: Arno Press, 1976), p. 98.

<sup>22</sup> See Alexandra Villard de Borchgrave and John Cullen, *Villard: The Life and Times of an American Titan* (New York: Doubleday, 2001), especially chapter 16 "In Sickness and in Health."

<sup>23</sup> Henry Villard to John C. Ainsworth 9 January 1880, in John C. Ainsworth Collection, box 8, folder 3, Special Collections Library, University of Oregon.

<sup>24</sup> Henry Villard to John C. Ainsworth 9 January 1880, in John C. Ainsworth Collection, box 8, folder 3, Special Collections Library, University of Oregon.

endeavor to meet your wishes and to retain the benefit of your judgment and experience in the management of the Company's affairs."<sup>25</sup> Although Ainsworth declined, Reed was willing to occupy the position. But Reed alone could not run the company from Portland, he needed other resident managers, OR&N officials residing in the Northwest, to help him transform Villard's ambitious, but ambiguous, goals into a reality. Or, in the case of the OR&N at least a concrete plan.

Reed and Villard chose Henry Thielsen, a railroad engineer and fellow German immigrant for what was arguably the most important management position in the road's early stages, the Surveyor and Chief Engineer.<sup>26</sup> Thielsen was to work with the rest of the resident managers in Oregon to determine the road's construction schedule. The only route the financier had decided upon was the line up the south bank of the Columbia, which the property and profitability of the OSN practically dictated, and which he was willing to delay because of the control exercised by the OSN.<sup>27</sup> He was more interested in the interior. Villard's primary strategy, or the "general object I have in view, is to drain the whole agricultural belt of Washington Territory in the direction of the main line by tributary lines."<sup>28</sup> Villard's map was nearly blank beyond the Cascades, however. He told Ainsworth that he wanted "a line or lines, cheapest in point of construction and best located in point of traffic." Ignorant of where the lines should run, Villard continued, "I leave [to Thielsen] and you ... to hit the proper thing."<sup>29</sup> He also looked beyond control of just local traffic. He told Thielsen that he wanted, "the Oregon Railway and Navigation Company [to secure] absolute control of the Columbia Valley and of the

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<sup>25</sup> Henry Villard to John C. Ainsworth 9 January 1880, in John C. Ainsworth Collection, box 8, folder 3. Special Collections Library, University of Oregon.

<sup>26</sup> Thielsen, formerly Hans Thielsen, had been the a surveyor and engineer on the Oregon Central Railroad in the Willamette. When Villard purchased the OSN, Thielsen lived in Oregon and was an ideal choice as chief surveyor and engineer of the road.

<sup>27</sup> *Oregon Railway & Navigation Company, Second Annual Report of the Pres. to the stockholders for the year ending June 30th, 1881* (New York: 1881). When Villard purchased the OSN, the Oregon company had 19 miles of standard gauge road in operation—six miles around the Cascades, and 15 miles from The Dalles to Celilo.

<sup>28</sup> Henry Villard to Henry Thielsen, 12 May 1879, in Henry Villard Business Papers, vol. 33. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>29</sup> Henry Villard to Henry Thielsen, 5 July 1879, in Henry Villard Business Papers, vol. 34. Baker Library, Graduate School of Business Administration, Harvard University.

approaches thereto, so that it should command its own terms of connection with any through line coming either from the South or North.”<sup>30</sup> Aside from these vague assumptions, the financier had few suggestions, a fact which gave his team in Oregon immense power over the construction and completion of the road.

Thielsen’s job was to work with the rest of the Portland managers, Reed, Ainsworth, and J.N. Dolph, to decide which lines to build first and then to fix their exact location.<sup>31</sup> First, Thielsen needed to determine if the charter’s vague routes were economically viable. Second, he needed to decide upon geographically specific routes which he would then survey for definite location. When he and the other Portland managers came to an agreement on the proposed lines, they still had to convince Villard, the ultimate arbiter of the railroad, to authorize their program. Villard gave Thielsen an additional responsibility; when the western managers had become convinced of the profitability of their system, Villard expected “a full report in proper form, for use of my Eastern friends which ... should cover not only your opinion relative to the proposed railroad route, but also your observations as to the business that the road would find, including whatever statistics as to population, crops, mines, and natural resources that may be developed into sources of traffic.”<sup>32</sup> The engineer needed to explain Oregon in terms of investment possibilities, for Villard the financier needed information that would sell the road to New York, London, and German capitalists. Yet Villard was also an investor whose understanding of the region was incomplete and he read Thielsen’s reports in the same manner as the other capitalists for whom they were written. Thielsen used complex rhetorical strategies to present his findings and effectively convinced Villard of the necessity of each of the proposed branch lines. Thielsen structured his personal reports to Villard the investor in the same fashion as the full reports that Villard

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<sup>30</sup> Henry Villard to Henry Thielsen, 5 July 1879, in Henry Villard Business Papers, vol. 34. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>31</sup> Joseph Norton Dolph came to Portland, in 1862 from Schuyler County New York, where he had a law practice. He became the city attorney of Portland, United States district attorney, a member of the State Senate and was elected as a Republican to the United States Senate in 1882 and 1888. Hubert Howe Bancroft, *History of Oregon, 1848–1888*, vol. II (San Francisco: The History Company, 1888), p. 678.

<sup>32</sup> Henry Villard to Henry Thielsen, 12 May 1879, in Henry Villard Business Papers, vol. 33. Baker Library, Graduate School of Business Administration, Harvard University.

requested for other capitalists. Villard read them all eagerly and based his decisions for the road upon the opinions of the western management.

Thielsen issued a series of reports from May through July 1879 advising Villard on the OR&N lines. His surveys were limited to the interior. Both Villard and Thielsen agreed, and the OSN managers concurred, that the company should build feeder lines beyond the mountains first and delay construction of rail facilities along the Columbia until after the branch lines were complete.<sup>33</sup> Thielsen identified three areas of local traffic which the company could control with a number of branch lines: the Palouse country north of the Snake river, the Walla Walla region beyond the existing facilities of the WW&CRR, and the Grande Ronde-Wallowa valleys east of Umatilla Landing (see map 9). North of the Snake, he suggested two lines to tap the Palouse, running north from Texas Ferry up Alkali Flat creek and then north to the confluence of the Union Flat creek and Palouse river. Here the lines would split with a northerly running line up the Palouse and then up the Cottonwood creek with the possibility of heading north to the falls of the Spokane river. A second line would run up the Union Flat creek to Colfax.<sup>34</sup> The Snake, Thielsen reckoned, could carry this freight down its confluence with the Columbia and on to Portland until the OR&N had completed the lines south of the River, which the engineer believed would one day obviate that troublesome section of river. South of the Snake, Thielsen strongly advised Villard on a line from Texas Ferry via Whetstone, the Touchet river, and Dry Creek to the existing service at Walla Walla. He also suggested an additional branch line from Pataha City, down the Pataha River to Texas Ferry.<sup>35</sup> Thielsen told Villard that in Oregon, the trunk extension over the Blue mountains to Boise and a connection with the UPRR was more difficult than they first imagined. He recommended a route from Umatilla landing on the Columbia across the Blue mountains somewhere near Summerville, probably at Meacham pass and into the Grande Ronde and Powder

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<sup>33</sup> The OR&N management was secure in their belief that the old OSN monopoly gave the new company control over the river.

<sup>34</sup> Henry Thielsen to Henry Villard, 23 June 1879, in Henry Villard Business Papers, box 22, folder 176. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>35</sup> Henry Thielsen to Henry Villard, 2 July 1879, in Henry Villard Business Papers, box 22, folder 180. Baker Library, Graduate School of Business Administration, Harvard University.

river valleys. Thielsen claimed that anything further than that would require more surveys.<sup>36</sup> Finally, The engineer argued that the OR&N should delay construction for the present. His early summer survey reports and maps, he told Villard, were approximations and he did not want to proceed in a hurriedly manner and poorly locate the possible lines. Thielsen created an intricate landscape of investment in his reports—complete with ideas about nature, capitalism, and progress—to convince Villard of this ambitious program. What tied all these rhetorical strategies together, however, was the engineer’s reliance on the science of cartography.

One of the most important aspects of cartographic rhetoric Thielsen used was the science of quantification. The engineer claimed that the agricultural lands beyond the Cascades, both north and south of Walla Walla, would provide the OR&N with local traffic that was immensely important to the new road. The road through the Palouse, Thielsen argued, “would secure nearly the whole of all the valuable lands of the counties of Walla Walla and Columbia and of Whitman county east of the Palouse, containing in all about 4000 square miles ... hence ... over 15 square miles of rich and productive lands tributary to every mile of RR, which is indeed a good showing.”<sup>37</sup> The road through the Blue mountains was equally important and passed “almost centrally through the La Grande and Powder river valleys, the first containing not less than 300,000 and the latter from 4 to 500,000 acres of agricultural lands, nearly all good.”<sup>38</sup> Thielsen took care to *quantify* the abundance of good agricultural land in the region, even if those numbers were vast. Fixing boundaries on acreage, Thielsen *qualified* what was all too often hyperbolic language and gave his reports an air of authenticity. He used his status as a surveyor to bring legitimacy to his quantified landscapes of investment and distinguish his surveys from the more rampant hyperbole of the booster literature.

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<sup>36</sup> Henry Thielsen to Henry Villard, 12 June 1879, in Henry Villard Business Papers, box 22, folder 176; and Henry Villard to John H. Mitchell, 21 June 1879, in Henry Villard Business Papers, vol. 34. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>37</sup> Henry Thielsen to Henry Villard, 2 July 1879, in Henry Villard Business Papers, box 22, folder 180. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>38</sup> Henry Thielsen to Henry Villard, 18 May 1879, in Henry Villard Business Papers, box 22, folder 176. Baker Library, Graduate School of Business Administration, Harvard University.

Thielsen was not content to simply paint the entire landscape with an Edenic brush, so he used another trope of geographic knowledge to bolster his claims: negative argument. He told Villard that one-fifth of the land in the region south of the Columbia and Snake rivers was “sandy and penetrated with Alkali [sic]. But with say another one fifth of as rich lands as can be found anywhere.”<sup>39</sup> Thielsen implied that the Northwest was not all opportunity. As in any landscape, there were problems, pockets unworthy of investment, and he took pains to point these areas out when he encountered them. Putting the two types of landscapes side by side on the page, Thielsen magnified their respective qualities. Fertile landscapes appeared more so next to dreary wastes. More importantly, however, Thielsen bolstered his authority when he articulated worthlessness in the Pacific Northwest. His accounts could be trusted because he was willing to point out the bad and the good, unlike the majority of booster pamphlets which were then in circulation.<sup>40</sup>

Thielsen utilized a futuristic tone that implied the inevitable progress of the region. His reports were a projection of the road, the region’s markets, and its natural resources. “The Snake River to the eastern slope of the Blue Mountains” Thielsen explained to Villard, contained “a great mountainous country rich in precious ores and intersected by numerous fertile and extended Valleys ... that will need and soon demand railroad facilities. Discoveries of rich deposits of gold and silver are made here almost daily.”<sup>41</sup> Thielsen used the rhetoric of regional progress—mining rushes would demand railroad facilities—in concert with a narrative of progressive profits for the road—the ability of the road to create wealth where there was none. “With proper rail facilities,” Thielsen told Villard, the agricultural output of eastern Oregon and Washington would could “increase five fold or rise from sixty thousand to three hundred thousand tons.”<sup>42</sup> This tautological argument, that the land would ensure the progress of the road while the

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<sup>39</sup> Henry Thielsen to Henry Villard, 18 May 1879, in Henry Villard Business Papers, box 22, folder 176. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>40</sup> See William G. Robbins, “Nature’s Industries: The Rhetoric of Industrialism in the Oregon Country,” in *Power and Place in the North American West*, ed. Richard White and John M. Findlay (Seattle: University of Seattle Press, 1999).

<sup>41</sup> Henry Thielsen to Henry Villard, 30 July 1880, in Henry Villard Business Papers, box 22, folder 191. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>42</sup> Henry Thielsen to Henry Villard, 30 July 1880, in Henry Villard Business Papers, box 22, folder 191. Baker Library, Graduate School of Business Administration, Harvard University.



road would ensure progress of the land, provided Villard and other investors with the myth of inevitable profits. Oregon, Thielsen implied, would soon be overwhelmed with settlers whose products, be they agricultural or mineral, would provide significant freight for the road and offer “a large and remunerative local business increasing and broadening from year to year the sure and firm foundation of continued financial success.”<sup>43</sup>

While Thielsen was surveying beyond the Cascades, he learned that the NPRR once again intended to build in the Northwest. His advice to Villard became motivated by strategic concerns and took on a militaristic rhetoric, in addition to his rhetoric of investment. Congress had virtually reserved the Palouse for the Northern Pacific when it chartered the company, but Villard hoped that the OR&N would serve as the NPRR’s Pacific connection. Thielsen’s position in Oregon, however, illustrated to him that the NPRR construction plans were far more extensive than Villard had imagined. “The NPRR Co appears to have got their eyes opened at last to the enemy in the flank,” he told Villard in June, “I learn that orders have been telegraphed to take their engineering forces off their upper line and return to their former line, commencing at the mouth of the Snake River. That will lead them in a most natural way to turn their attention to the Palouse Country as a feeder.”<sup>44</sup> He urged Villard to “occupy this portion of the Territory, if even the NPRR Co. should conclude to run their line through the middle of it. It is a country well worth fighting for” and if the OR&N moved fast enough it could “build that portion of our contemplated lines that will prevent them from occupying any portion of the much desired Palouse country.”<sup>45</sup> Thielsen was convinced that the NPRR would occupy crucial strategic positions in eastern Washington Territory and that the OR&N would be excluded from much of the agricultural lands north of Walla Walla. But if Thielsen chose the proper passes and grades, he would force the NP to build across a more expensive route, thereby diminishing the possible net gain on the NP investment in the Palouse.

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<sup>43</sup> Henry Thielsen to Henry Villard, 30 July 1880, in Henry Villard Business Papers, box 22, folder 191. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>44</sup> Henry Thielsen to Henry Villard, 15 June 1879, in Henry Villard Business Papers, box 22, folder 176. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>45</sup> Henry Thielsen to Henry Villard, 23 June 1879, in Henry Villard Business Papers, box 22, folder 176. Baker Library, Graduate School of Business Administration, Harvard University. See also Thielsen to Villard 22 July 1879, 26 July 1879, and 29 July 1879

With proper location, Thielsen could almost eliminate the NP threat since the existence of one road usually precluded a direct competitor, especially in the West where local freight barely insured the profitability of one road, let alone two. Both Thielsen and Villard believed that competition would ruin a company's profits, especially in the West where local freight was often insufficient to maintain profitability for a railroad.<sup>46</sup>

Equally important for Thielsen's construction program recommendations was the way in which the engineer used cartography to visually assert the OR&N's existence in the region even before workers began grading. Thielsen's recommendations to Villard were all accompanied by maps.<sup>47</sup> Providing Villard with maps of the proposed lines, Thielsen included him in the mapping process. Looking at the map while reading Thielsen's letters, Villard could locate, and map for himself, areas of agricultural productivity, regions of mineral concentration, and crucial strategic locations that the road needed to control. Thielsen's maps put Villard on the ground, metaphorically, and provided him access to a landscape thousands of miles away. Maps gave Villard the illusion of control over the region he hoped to monopolize.<sup>48</sup> Even though Thielsen's maps were, at best, an approximation, at worst an idealization, of the Pacific Northwest, they stood in for the actual landscape. In doing so, Thielsen included Villard in the thrilling task of creating and attempting to control a landscape. Finally, Villard and Thielsen's reliance on geographic and cartographic vocabulary helps us understand the enormous power which Thielsen wielded through his surveys in his relationship with Villard. Thielsen's maps as well as his survey reports illustrate that by controlling geographic knowledge, Thielsen had the power to frame questions, and reclaim the terms of debate from his employer.

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<sup>46</sup> For a larger discussion on competition and profitability, see Chapter 4 below. See also Alfred D. Chandler, Jr., *The Visible Hand: The Managerial Revolution in American Business* (Cambridge, Mass.: The Belknap Press of Harvard University Press, 1977), p. 134.

<sup>47</sup> See Henry Thielsen to Henry Villard, 11 June 1879, 12 June 1879, 15 June 1879, 23 June 1879, in Henry Villard Business Papers, box 22, folder 176. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>48</sup> For a discussion of maps as a metaphorical means of control over the landscape, see Matthew H. Edney, *Mapping an Empire: The Geographical Construction of British India, 1765–1843* (Chicago and London: University of Chicago Press, 1997); and J.B. Harley, "Deconstructing the Map," *Cartographica* 26 (1989): 1-20.

Villard's response to Thielsen's initial advice indicates their reliance on a cartographic vocabulary. "I think I clearly understand (with the aid of the map which fortunately came to hand simultaneously with your letters), your arguments relative to the location of the lines to the North and South of the Snake River," Villard wrote to Thielsen.<sup>49</sup> "I am very favorably impressed," he continued, "with the proposed system of roads."<sup>50</sup> Villard's response to Thielsen's suggestions illustrates the effectiveness of Thielsen's cartographic rhetoric and the ineffectiveness of the engineer's strategic arguments. To Thielsen and Villard, geography became a language, a way for the two to communicate Thielsen's opinions about the Pacific Northwest, and the place of the rail road in it. Maps provided a visual scientific representation to Thielsen's landscape of investment, while simultaneously verifying the extent of his surveys. Just as numerical quantification fixed the amount of arable and non-arable land in the Pacific Northwest, Thielsen's use of the cartographic grid and his reliance on the Public Surveys likewise further quantified his findings. The maps and survey reports stressing geographic points of facts helped Villard comprehend Thielsen's plans and eased the financier's anxieties over the road's expansion. On the other hand, Villard simply did not believe that the NPRR posed any serious threat. Although he recognized that Thielsen, as a western observer, was privy to certain information, Villard felt that the NPRR's New York headquarters allowed the eastern management to keep tabs on the NPRR movements. He denied Thielsen's urgent requests for a line into the Palouse via Cottonwood creek. But this was the only route he did not authorize. He agreed with Thielsen that the company should "strengthen our grip on the Columbia Valley as much as possible, and that for this purpose the Union Flat [down to Texas Ferry] and the Patah [sic] City lines should both be constructed as soon as possible." Next in importance according to Villard, was the connection from Umatilla, "and last the regular survey of the line connecting the

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<sup>49</sup> Henry Villard to Henry Thielsen, 5 July 1879, in Henry Villard Business Papers, vol. 34. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>50</sup> Henry Villard to Henry Thielsen, 5 July 1879, in Henry Villard Business Papers, vol. 34. Baker Library, Graduate School of Business Administration, Harvard University.

portages.”<sup>51</sup> Maps, as well as survey reports and other representations of the Pacific Northwest, gave Thielsen a measure of control in the company’s affairs because it was Thielsen who was in charge of creating geographic knowledge. When Thielsen drew a map, sent a letter, or wrote a report, he codified geographic information, made it concrete in the eyes of Villard and his eastern investors. Moving from ambiguous to concrete knowledge gave Thielsen’s reports authenticity—a veracity which Villard was, for the most part, was not in a position to question.

While Thielsen and Villard hashed out the various OR&N branch lines, events in Oregon forced Thielsen to radically alter his original recommendations to Villard. The engineer had relied on OSN steamboats for water transportation while surveying in the summer of 1879. By the end of the summer during the wheat harvests, however, Thielsen began to recognize what he thought were strategic weaknesses in the company’s assets on the Columbia-Snake river system. He was concerned that the OSN riverboats would not be able to handle the increase in freight that he predicted from the Palouse country. The boats were already overtaxed as it was, and much freight sat idle in warehouses at Walla Walla and landings on the Snake and Columbia. He told Villard that the river route from Wallula to Texas Ferry held “all the difficult rapids.” On the other hand, he claimed that the river “between Texas Ferry and Lewiston the river is Navigable almost all the year round.” Building lines to the river from Pataha City or Union Flat, Thielsen claimed, would make it “utterly impossible for the boats to take away in proper time the immense amount of wheat that will be brought to Grange City and Texas Ferry.... Therefore those two places must be connected by railroad with Wallula” Thielsen saw the river above the confluence as unstable, and the freights from the Palouse as so great as to overwhelm the system. Building a line from Grange City, opposite Texas Ferry, “would enable us to lay down by Railroad at Wallula not only what would be furnished us by RR at Grange City

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<sup>51</sup> Henry Villard to Henry Thielsen, 5 July 1879, in Henry Villard Business Papers, vol. 34. Baker Library, Graduate School of Business Administration, Harvard University.

and Texas Ferry but what the light draft boats of the Country could gather up from above as far as Lewiston”<sup>52</sup>

Thielsen was also nervous of the threat posed by the NPRR along the Columbia, a fear reinforced by his geographic location. Throughout the entire summer of 1879, Thielsen had warned Villard of the threat of NPRR intrusion into the Columbia valley, but Villard ignored Thielsen’s warnings. Thielsen, using his unique position as an arm of the OR&N in the West, had been tracking the Northern Pacific surveys in the region and by late summer was convinced that the NPRR would be able to run a line along the Columbia. Northern Pacific engineer Thomas Doane was in the northwest locating the Pend Oreille line, and began to view Thielsen and the OR&N as a potential competitor to the NPRR.<sup>53</sup> Thielsen had got word that Doane was looking to locate a line in the Columbia valley immediately.<sup>54</sup> “From what I can learn,” Thielsen wrote Villard, “it appears as if Doane means to recommend to his company the Columbia River line, as the true one to build.”<sup>55</sup> Although the OR&N held firm control of the Cascade and Celilo portages, Thielsen was not convinced that his company held a monopoly on Columbia transportation. Rivers were inherently unstable because they were common highways. Thielsen reckoned that the steamboats operating on the Columbia constituted an unstable route. He recommended that the company connect the gap between the portages and then build, with all haste, from Celilo to Wallula.

At first, the engineer met with derision from Villard, and resistance from the former owners of the OSN. “As to the Northern Pacific Building a railroad from Celilo to the Cascades,” Villard wrote, “leaving out the improbability of the thing, do you think I would allow them to do this before doing it myself? And does not our command of the

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<sup>52</sup> Henry Thielsen to Henry Villard, 14 September 1879, in Henry Villard Business Papers, box 22, folder 181. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>53</sup> Peter J. Lewty, *To the Columbia Gateway: The Oregon Railway and the Northern Pacific, 1879–1884* (Pullman, Wash.: Washington State University Press, 1987), p. 50; *Spokane Falls Times*, 26 June 1879, 4 July 1879, 10 July 1879, 25 September 1879; *Walla Walla Weekly Statesman*, 14 June 1879, 19 July 1879.

<sup>54</sup> Henry Thielsen to Henry Villard, 6 September 1879, in Henry Villard Business Papers, box 22, folder 181. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>55</sup> Henry Thielsen to Henry Villard, 14 September 79, in Henry Villard Business Papers, box 22, folder 181. Baker Library, Graduate School of Business Administration, Harvard University.

river put us in a position enabling us always to anticipate such movements of an enemy? I would not trouble myself with such fears indeed.”<sup>56</sup> Viewing the situation from New York, Villard did not believe that the transcontinental had enough capital to begin their line down the Columbia, and believed the OR&N Columbia routes were adequately serviced and firmly controlled by the company’s steamboats. Villard was meeting regularly with the NPRR directors about making the NPRR Pend Oreille line in Montana and Idaho a feeder road to the OR&N mainline down the Columbia. The financier felt as if he had a firm grasp on the situation. But it was his geographic location which had blinded him to the reality of the NPRR movements in the Pacific Northwest. Fortunately for Villard, Thielsen was adept at recruiting local residents who collaborated with Thielsen to gather information about the geography of the region and the movements of other railroads.

The OSN directors initially objected to Thielsen’s plans. According to Thielsen, both Reed and Ainsworth “wanted to build from Texas Ferry into the interior first.”<sup>57</sup> The former OSN owners probably still held out hope that the OR&N could make an agreement with the NPRR to transport construction supplies to the transcontinental in Idaho and Montana. An aggressive OR&N policy of building along the river would have jeopardized such a contract. More importantly the men were responsible for the continued operation of OSN. In 1879, the OR&N directors had not yet unincorporated the steamship monopoly. Villard had bought the OSN by way of a leveraged buyout. He had secured a mortgage from the Farmers Loan and Trust Bank in New York to buy the OSN by offering the bank the assets of the company he wanted to buy! He could not unincorporate the OSN until a certain percentage of the mortgage had been paid, and he depended on the OSN dividends resulting from the summer freight receipts to pay off that mortgage. As a result of the continued corporate existence of the OSN, Reed and Ainsworth had to run their company as they saw fit. Their strategy was to make the OSN

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<sup>56</sup> Henry Villard to Henry Thielsen, 31 August 1879, in Henry Villard Business Papers, vol. 34. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>57</sup> Henry Corbett to Henry Villard, 29 November 1879, in Henry Villard Business Papers, box 22, folder 185. Baker Library, Graduate School of Business Administration, Harvard University.

a quasi-neutral entity with respect to the strategic struggles of the grand trunk lines.<sup>58</sup> In addition, a railroad along the river could put the OSN assets—steamboats and river portages—in jeopardy. Reed and Ainsworth were still personally and financially invested in the OSN and neither supported the immediate substitution of rail road for river boat along the Columbia.<sup>59</sup>

Fortunately for Thielsen, late in October 1879, a group of Oregon capitalists organized a corporation in an attempt to gain control of the Cascade portage on the Oregon side. As we will see in the next chapter, this threat was enough to convince the OSN directors of the necessity of the Columbia line, so Thielsen met Reed, Ainsworth, Dolph, and Corbett in Portland to discuss the company's defense. "Thielsen brought the maps down and presented his scheme," Corbett wrote Villard later, and eventually the opposing forces within the OSN came around.<sup>60</sup> As a result, Dolph wrote Villard, "both Mr Reed and Capt Ainsworth who were a short time since very much opposed to making a survey between The Dalles and Cascades ..., have become suddenly satisfied that the survey was right and strongly advocate such action at once as will secure to our company the right of way."<sup>61</sup> Once again, Thielsen used his ability to create and codify geographic knowledge to influence the opinions of the OR&N management: maps, surveys, and correspondence afforded Thielsen an enormous amount of power within the new company.

Now the western managers had to convince Villard of the necessity of building the Columbia River line immediately. In November, Thielsen and Reed went to New

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<sup>58</sup> Indeed, the OSN directors might have even been unsure of Villard's ability to carry out his grand plans. The failure of the NPRR some six years earlier had made the directors weary of any grand railroad scheme. Reed and Ainsworth had been in close contact with the NPRR directors—men who they became acquainted with during the NPRR's tenure as OSN owner—and the NPRR appeared to be as secure as the OR&N, if not more so. It is possible that the OSN directors saw the newly reinvigorated NPRR as a backup in case of Villard's failure.

<sup>59</sup> See W.H. Starbuck to Simeon G. Reed, 15 September 1879, in Simeon G. Reed Collection, Reed Letterbooks, vol. 9. Special Collections, Reed College. See also Henry Thielsen to Henry Villard, 14 September 1879, in Henry Villard Business Papers, box 22, folder 181. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>60</sup> Henry Corbett to Henry Villard, 29 November 1879, in Henry Villard Business Papers, box 22, folder 185. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>61</sup> J.N. Dolph to Henry Villard, 29 October 1879, in Henry Villard Business Papers, box 89, folder 652. Baker Library, Graduate School of Business Administration, Harvard University.

York with a solid front to meet with Villard and decide upon a construction program. They negotiated the construction plan for a week, and the Oregon managers succeeded in convincing Villard to accept their advice. Although Villard had always intended to build the line down the Columbia, he “was not a believer in the immediate urgency of it.”<sup>62</sup> It appears that Thielsen used the financier’s initial vision, as well as Reed and Ainsworth’s initial opposition to advise Villard. Writing to Dolph, Villard hints at Thielsen’s rhetorical methods: “It is of course very gratifying to me to know that Messrs Reed and Ainsworth have come entirely around to my view of the necessity of the surveys which I have instructed Mr Thielsen to make.” Villard told the Oregon lawyer that he “found that Mr Reed’s views were even more advanced than my own as regards the gradual substitution of a railroad for the steamboat line on the Columbia River.” Thielsen and Reed stressed Villard’s own grand vision—control of the Columbia Valley—as the logic for the speedy completion of the Columbia trunk line. After all, they implied, the Columbia line was the genius of Villard’s plan, and rails would protect that essential element from corporate assault.

After Reed and Thielsen’s skilled negotiations, Villard “yielded to [their] arguments and agreed to it.”<sup>63</sup> Explaining to Dolph that location and construction would begin soon, Villard wrote that “after a full exchange of views with Messrs Thielsen and Reed, and a thorough study of the subject. I have come with them to the joint conclusion that it would be good policy for us to adopt a comprehensive construction programme for immediate execution, during the coming year, including a line from Celilo up the river to a junction with the existing narrow gauge road.”<sup>64</sup> Shrewd negotiation aside, the program must have appealed to Villard’s sense of the region, and the role that the OR&N would play in its development. “You will no doubt agree with me,” he told Dolph, that the plan “has this very great advantage for the Oregon Railway and Navigation Company: it will

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<sup>62</sup> Henry Villard to J.N. Dolph, 14 November 1879, in Henry Villard Business Papers, vol. 34. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>63</sup> Henry Villard to Henry Corbett, 14 November 1879, in Henry Villard Business Papers, vol. 34. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>64</sup> Henry Villard to J.N. Dolph, 14 November 1879, in Henry Villard Business Papers, vol. 34. Baker Library, Graduate School of Business Administration, Harvard University.



... give the [OR&N] the direct and absolute control on the Columbia.”<sup>65</sup> More than anything else, Villard wanted secure control, an unassailable monopoly, instead of the insecurity he experienced as head of the Oregon Steamship Company operating in the Willamette Valley and along the Pacific Coast. Thielsen, Reed, Ainsworth, Corbett, and Dolph all reasoned that the quick completion of Columbia line would provide that control.

Thielsen’s surveys provided the OR&N with an understanding of the region that was much more complex than the that held by the eastern directors. I do not wish to argue that Thielsen’s knowledge of Oregon was “correct” or “complete,” or that it re-created the actual geography of the region, for it did not. Indeed, Thielsen’s understanding of the Pacific Northwest was based upon the same ideology as Villard’s understanding—that a railroad could control the transportation of a region’s natural resources. But Thielsen’s surveys did give the company the requisite geographical knowledge to further their attempts at ownership of the landscape. In other words, Thielsen’s surveys and maps were the OR&N’s initial steps necessary to obtain ownership of the landscape the company eventually sought to control.

Maps might have been Thielsen’s most effect tool when advising Villard, but they also played a role outside the company’s internal affairs. Maps, like articles of incorporation, were an essential part of the OR&N’s paper landscape; the company created legal documents that established and secured rights of way throughout the region. In order to legally occupy a given section of land or obtain a right of way, be it through the public domain or private property, a company needed to execute surveys and produce maps of definite location. Maps of definite location were formalized maps submitted to the Department of the Interior’s General Land Office, usually not less than 2000 feet to the inch, upon which railroad engineers literally drew their proposed route. The maps needed to correspond with existing township and range maps, and the land office, which was responsible for administering western lands, needed to be able to reconcile a

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<sup>65</sup> Henry Villard to J.N. Dolph, 14 November 1879, in Henry Villard Business Papers, vol. 34. Baker Library, Graduate School of Business Administration, Harvard University.

railroad's location to quarter sections within a given township.<sup>66</sup> Upon review of the maps, the Interior Department would acknowledge the corporation's intent to build, as well as a company's route by affirming its right of way selection. When the Interior Department approved a map of definite location for a route, a company's rights to the trail or route were equal to that of an extent railroad in the eyes of the law—even if the paper trail cost a fraction of a steel road.

In the summer of 1880, Thielsen went back to the various routes he had suggested to Villard and made more exact surveys for the location of the road. Throughout the next year he drew up and filed with the Interior department the necessary maps of location required by the law. The first maps the company filed were along the Columbia trunk line from Celilo to Wallula, and from Walla Walla to Texas Ferry on the Snake River.<sup>67</sup> After he had finished filing the maps for the trunk line, Thielsen and his team of engineers drew up maps for the branch lines from Texas Ferry, the upper Snake river landing. Thielsen filed both the line to Pataha city and the Palouse-Union Flat branch by the end of January. Finally, Thielsen filed a series of maps for the possible UPRR connection from Umatilla Landing, across the Blue Mountains to Baker City a year later.<sup>68</sup> In most cases, the Interior department immediately granted the company the rights of way articulated in Thielsen's maps of definite location. Thus with the simple creation of a map, the OR&N could legitimately claim ownership over much of the land they sought to control—virtually the whole of the Far Northwest, from “inland empire” to beyond the Pacific Ocean.

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<sup>66</sup> The act itself sets out few specifications, but in practice the General Land Office worked out the set of guidelines described here. See “An Act granting to railroads the right of way through the public lands of the United States,” 18 Stat. 482–483. For the General Land Office's interpretations of the law, see J.H. Mitchell to Henry Villard, 5/6/81, in Henry Villard Business Papers, box 82, folder 576; General Land Office Commissioner C.W. Holcombe to J.H. Mitchell, 2/11/81, in Henry Villard Business Papers, box 82, folder 575; General Land Office Commissioner, N.C. McFarland to J.H. Mitchell, 8/15/81, in Henry Villard Business Papers, box 82, folder 578; and Starbuck to J.N. Dolph, 10/23/80, in Henry Villard Business Papers, vol. 40. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>67</sup> See correspondence between J.N. Dolph and Henry Villard, January through February, 1880, in Henry Villard Business Papers, box 89, folder 654. See also Henry Thielsen to Henry Villard, 31 January 1880, in Henry Villard Business Papers, box 22, folder 188. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>68</sup> Henry Thielsen to Henry Villard, 23 January 1881, in Henry Villard Business Papers, box 25, folder 224. Baker Library, Graduate School of Business Administration, Harvard University.

### **The Production of Freight: Residents, Managers, and Resource Extraction**

Villard's enterprises were not constrained to transportation alone. Indeed, by the time the OR&N rail lines were complete, Villard could count land speculation, corporate farms, timber production, and coal mining as part of his investment portfolio. Some, though not all, of these enterprises directly benefited the OR&N transportation lines: selling farmland to prospective settlers, the OR&N encouraged the growth of agricultural produce in eastern Oregon; mining coal in Washington Territory, the company obtained fuel for its own steamships and locomotives, as well as a valuable freight in the Pacific markets. But every one of these enterprises began at the behest of the various managers residing in the Pacific Northwest, who, as local residents, became aware of the possibilities of the region, and the role that the OR&N could play in promoting its development.

Thielsen's role as advisor was not limited to the location of transportation routes, and his predilection for predicting agricultural development did not cease once his reports were in. With the geographic knowledge gained from surveying, Thielsen began to correspond with other Oregon managers of the OR&N, to investigate the possibilities for investment opportunities in addition to the railroad itself—primarily resource development. First, Thielsen corresponded with Villard's chief land and emigration agent General Tannatt regarding possibilities for land speculation east of the Cascades Mountains in the Palouse region, as well as the Grande Ronde and Wallowa River valleys.

The summer after Thielsen, Reed, and Villard had determined the construction plan for the OR&N, Thielsen went back to the Northwest to survey for definite locations of the OR&N lines and to begin work on the Columbia River line between The Dalles and Wallula. In October, 1880, while on the Columbia, he began to correspond with Tannatt about agricultural lands in eastern Washington and Oregon. The OR&N lines, he reasoned, would reach vast sections of the public domain that were heretofore isolated from American markets. The landscape, gently rolling plains, covered with lush grasses

in deep soil, appeared to Thielsen to be the perfect landscape for OR&N investment. Purchase the lands before the railroad extended into the region, Thielsen argued, and the OR&N would be able to realize hefty dividends over the paltry government price of \$1.25 per acre.<sup>69</sup> In addition, Thielsen believed that selling the land to farmers would provide the OR&N with ample freight as settlers converted the country from an unproductive, “empty wilderness” to a flourishing agricultural Eden.

By November, Thielsen and Tannatt were in agreement. Although they were both interested in the Palouse region, Thielsen felt that the line from Umatilla across the Blue mountains to Baker City would be completed sooner making the Grande Ronde Valley investments immediately profitable. They would recommend to the other Oregon managers that the company immediately secure lands in the Powder river valley. If the managers agreed, they would also present the Palouse lands as an option, and then take their recommendations to Villard. Thielsen went to T.F. Oakes, who Villard had recently appointed OR&N vice president, asking for authorization to purchase first 10,000 acres of Powder River lands for approximately \$1.25 per acre.<sup>70</sup>

Oakes was the manager who was then primarily responsible for the daily running of the company in Oregon. Living in Portland, he oversaw the various lines and had become the company’s president in all but name. Thielsen tried to convince Oakes of the logic of the land project by arguing that the lands were immensely fertile. In addition, he claimed that sources in the region had told him that the Union Pacific was contemplating purchasing the Powder River lands. The OR&N, Thielsen claimed, should act quickly. In addition to the lands in eastern Oregon, Thielsen also advised Oakes that the company could purchase over 100,000 acres in the Palouse from the Northern Pacific. Although this land would be more expensive than the public domain—\$2.50 as opposed to \$1.25 an

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<sup>69</sup> For a discussion of government land law and prices see John Opie, *The Law of the Land: Two Hundred Years of American farmland Policy* (Lincoln, Nebraska: University of Nebraska Press, 1987); and Hildegard Binder Johnson, *Order Upon the Land: The U.S. Rectangular Land Survey and the Upper Mississippi Country* (New York: Oxford University Press, 1976).

<sup>70</sup> The company could buy the lands for less than \$1.25 per acre, he told Oakes, because the acreage was state owned, not part of the federal public domain. See T.F. Oakes to Henry Villard, 12/1/80, in Henry Villard Business Papers, vol. 42. Baker Library, Graduate School of Business Administration, Harvard University.

acre—Thielsen argued that the price was still low enough for the OR&N to make a substantial profit.<sup>71</sup> Oakes, who trusted Thielsen's judgment, agreed and quickly relayed the message to Villard early in December.<sup>72</sup>

Oakes quickly became another adviser trying to convince Villard of the necessity of spending more money, and developed his own rhetorical strategy. Instead of arguing about the fertility of the landscape, or even the benefits of the lands in terms of freight development, Oakes stressed the strategic importance of the Powder River lands. "Tannatt and Thielsen think about ten thousand acres land in the Powder River country ... can be obtained for dollar quarter [an] acre" he told Villard; "They are state lands. It is said Union Pacific are after them."<sup>73</sup> Similar to Thielsen, however, Oakes also went to Villard with the backing of both the other Oregon managers, in this case Thielsen and Tannatt, and presented the financier with a unified recommendation. Villard was immediately impressed with the profitability of the scheme in both the Powder River and the Palouse. But more importantly, he understood that the threat of the Union Pacific in Oregon was real. When Oakes told Villard that the UP were interested in the Powder River lands, the financier acted quickly, and the next day authorized the purchase of the lands so as to keep the Union Pacific threat to a minimum.<sup>74</sup> Not long after, he authorized Tannatt to make selections from the NPRR tract and secure some of the Palouse lands as well.

Agricultural development aside, the OR&N looked to other investments that would benefit the road while still under construction, as well as in the future. As Thielsen shifted his efforts from surveying the lines to building them, both he and Oakes realized the necessity of purchasing facilities for timber production, and successfully lobbied

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<sup>71</sup> Circular of the Oregon Improvement Co, 1881. in Henry Villard Business Papers, box 26, folder 241. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>72</sup> T.F. Oakes to Henry Villard, 12/1/80, in Henry Villard Business Papers, vol. 42. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>73</sup> T.F. Oakes to Henry Villard, 9/20/80, in Henry Villard Business Papers, box 24, folder 209. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>74</sup> Henry Villard to T.F. Oakes, 12/1/80, in Henry Villard Business Papers, vol. 42. Baker Library, Graduate School of Business Administration, Harvard University.

Villard in this regard as well.<sup>75</sup> “Our great trouble in the building of our roads,” Thielsen told Villard, was in “obtaining the immense quantity of timber needed for ties and Bridge material.” To counter this weakness in the company’s construction efforts, Thielsen and Oakes devised a plan to obtain timber lands, mills, and flumes in areas easily accessible to the Columbia River. Not surprisingly, they based their recommendations for purchase on their understanding of the geography of the river. In Portland, Oakes went to work to obtain Joseph Weidler’s mill, a modest timbering facility that lay on a prime section of land near the Willamette. Corresponding with Villard, Thielsen reminded the financier that the Weidler property “gives us the key to and the control of the lower River.” Situated not far from the junction of the Willamette and the Columbia rivers, the mill “will make the [timber] supply certain up to The Dalles.”<sup>76</sup> Soon after the new year in 1880, Oakes obtained purchase of Weidler’s property.<sup>77</sup>

It was the lack of ties on the upper river, however, that concerned both Thielsen and Oakes. “To transport our material from Portland to the Road beyond Walla Walla,” Thielsen told Villard, “is not only too expensive, but might possibly interfere with a more profitable carrying business.” The sheer mass of timber required, which the engineer estimated at over 1.5 million ties in addition to timber for bridge and trestle work, demanded that the company “look up other sources of supply.” He urged Villard to purchase as many mills and flumes as they could, for the entire region suffered for a lack

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<sup>75</sup> East of the Cascades, and west of the Rockies, the landscape of the Pacific Northwest lies in an immense rain shadow. When we think of the Oregon, constant, steady rain is often the most powerful image, much of the region is arid to semi-arid. The result, for Thielsen at least, meant a shortage of timber for bridgework and railroad ties.

<sup>76</sup> Henry Thielsen to Henry Villard, 12/9/80, in Henry Villard Business Papers, box 22, folder 191. Baker Library, Graduate School of Business Administration, Harvard University. The entire Blalock property was vast, but Nelson Blalock was indebted to Dorsey Baker since the mill was built. Blalock, a veteran of the Civil War, had come to Walla Walla in hopes of building and running a large farm. He soon became interested in providing for the surrounding farmers, and obtained the title to over 5000 acres of timber land complete with over 20 miles of road in the northeast corner of Umatilla county. With the loan from Baker, Blalock built a saw mill on the property and 28 miles of timber flumes down to the Walla Walla River, just above Milton. Thielsen estimated that the property could produce almost a million ties and the company could get them to the river at Milton for less than 26¢ per tie; Blalock charged them 34¢ per tie. See T.F. Oakes to Henry Villard, 12/1/80, in Henry Villard Business Papers, box 24, folder 212. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>77</sup> J.N. Dolph to Henry Villard, 1/80, in Henry Villard Business Papers, box 90, folder 664. Baker Library, Graduate School of Business Administration, Harvard University.

of timber. Thielsen argued that unless “we make immediate and most thorough preparations for obtaining the material we shall not be able to build these roads in the time expected.”<sup>78</sup> Based on his two years of survey and construction work, Thielsen recommended several possible sources for timber production and flumes, including Blalock’s landing on the Columbia, and Dayton, Pataha, Walla Walla, Milton Station, and Summerville. Of the possible sites for timber production, Thielsen determined that the Dayton flume and an existing mill at Blalock landing were the only source capable of producing the requisite ties immediately (see map 9). In addition, timber lands surrounding those flumes were essential to the production of ties. Without these sights, Thielsen wrote, “I do not see how I can do all the work you expect of me for this coming season.”<sup>79</sup>

Thielsen again went to Oakes to convince the vice president before fully pleading his case to Villard. In late November 1880, he urged Oakes to purchase both the Blalock and Dayton timber claims. The Blalock property was the most complete. It already contained a 28 mile flume, a saw mill, and the rights to over 5000 acres of timber lands. In addition, Thielsen told Oakes, there were extensive access roads on the property, some 30 miles in length which would greatly facilitate obtaining the timber on the land. Thielsen estimated that the flume would produce at least 700,000 ties for around 20¢ a piece, The Dayton flume and lands along the Touchet river, on the other hand, was not a working mill, but with relatively little capital the company could soon fund its expansion

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<sup>78</sup> Henry Thielsen to Henry Villard, 12/9/80, in Henry Villard Business Papers, box 22, folder 191. Baker Library, Graduate School of Business Administration, Harvard University. Thielsen estimated “that we shall need within the next 18 months over a million and a half of ties and in telling you that on our Blue Mountain road alone we cross the Grande Ronde 5 times, Meacham creek over 40 times and the Umatilla probably 6 times say nothing of the crossings of the Touchet and Snake and the McKay on a 90 ft trestle.”

<sup>79</sup> Henry Thielsen to Henry Villard, 12/9/80, in Henry Villard Business Papers, box 22, folder 191. Baker Library, Graduate School of Business Administration, Harvard University. The entire Blalock property was vast, but Nelson Blalock was indebted to Dorsey Baker since the mill was built. Blalock, a veteran of the Civil War, had come to Walla Walla in hopes of building and running a large farm. He soon became interested in providing for the surrounding farmers, and obtained the title to over 5000 acres of timber land complete with over 20 miles of road in the northeast corner of Umatilla county. With the loan from Baker, Blalock built a saw mill on the property and 28 miles of timber flumes down to the Walla Walla River, just above Milton. Thielsen estimated that the property could produce almost a million ties and the company could get them to the river at Milton for less than 26¢ per tie; Blalock charged them 34¢ per tie. See T.F. Oakes to Henry Villard, 12/1/80, in Henry Villard Business Papers, box 24, folder 212. Baker Library, Graduate School of Business Administration, Harvard University.

into a full mill sight. When it was finished, Thielsen claimed that it would yield at least 250,000 ties. When the property was not milling ties, it could provide the company fuel for its trains and steamships at about 150 cords of wood a day, or 20,000 cords for the life of the property.<sup>80</sup> After taking his case to Oakes, Thielsen also corresponded with Dolph about the various timber lands. Both Dolph and Oakes, began lobbying Villard to purchase the properties. In a letter to Villard, Oakes outlined Thielsen's plans, complete with cost estimates, necessary capital improvements, and profit analyses, concluding "control of these timber entries is all important."<sup>81</sup> With this combined effort, Villard soon acquiesced. In early December 1880, Villard authorized Thielsen and Tannatt to purchase both properties.<sup>82</sup>

### **Fuel to the Fire: Mining the OR&N Territory**

While Thielsen and Oakes were trying to convince Villard of the importance of timber flumes and agricultural lands in eastern Oregon, Reed and Dolph began corresponding with Villard about the possibilities for mining in the Pacific Northwest. Reed had an interest in the Oswego Iron Works, an iron ore mine and manufacturing facility near Portland. In January, Reed traveled to New York to discuss OSN matters with Villard, but while there, he brought up the subject of mining and processing the region's iron ore.<sup>83</sup> Apparently Villard had expressed interest because when Reed returned to Portland, he pursued the project to the extent of obtaining a purchase option on the iron works. Soon after, he wrote Villard trying to convince the financier of the practicality of producing pig iron or even steel in the West.<sup>84</sup> Reed wrote to Villard that

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<sup>80</sup> T.F. Oakes to Henry Villard, 12/1/80, in Henry Villard Business Papers, box 24, folder 211, and 12/1/80, box 24, folder 212. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>81</sup> T.F. Oakes to Henry Villard, 11/28/80, in Henry Villard Business Papers, box 24, folder 211. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>82</sup> Henry Villard to T.F. Oakes, 12/3/80, in Henry Villard Business Papers, vol. 42. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>83</sup> Simeon Reed to Henry Villard, 3/8/80, in Simeon G. Reed Collection, Reed Letterbook, vol. 13. Special Collections, Reed College.

<sup>84</sup> See Henry Villard to Simeon G. Reed, 2/5/80, in Henry Villard Business Papers, vol. 33. Baker Library Graduate School of Business Administration, Harvard University. For additional information on



“the showing of the Oswego Iron Company’s property is good. ... It would seem that a large, permanent and handsome paying business could be built up. ... There is no reason why we could not supply the whole Pacific Coast and as far East as Salt Lake.”<sup>85</sup> Reed let the option lapse for lack of an ore analysis, but invested \$50,000 in the iron works on a five year loan. Then he began pushing Villard to finance an expansion at the company’s mine and smelting factory.<sup>86</sup>

In order to cheaply produce pig iron, however, Villard knew that any enterprise would require access to an abundant supply of coking coal. He was ignorant of both the region’s coal and iron resources so he began corresponding with resident managers to solicit their advice on these possibilities.<sup>87</sup> The Northern Pacific owned and operated a mine south of Seattle near Puyallup and Villard first asked Dolph about the NPRR collieries. Dolph explained to him that the Puyallup collieries were extremely productive, but that there might be other sources of coal in Washington Territory that Villard could purchase. Through this correspondence, Villard was convinced that Reed’s iron works could benefit from securing coal independent from the Northern Pacific.

The Northern Pacific did not have a monopoly on the region’s coal resources, Dolph told Villard. Another Puget Sound enterprise, the Seattle Coal and Transportation

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the Oswego Iron Works, see Dorothy Johansen, “Organization and Finance of the Oregon Iron and Steel Company, 1880–1895,” *Pacific Northwest Quarterly* XXXI, April (1940): 123–160.

<sup>85</sup> Simeon Reed to Henry Villard, 3/13/80, in Simeon G. Reed Collection, Reed Letterbook, vol. 13. Special Collections, Reed College.

<sup>86</sup> Proceedings of the Directors’ Meeting, Oswego Iron Company, 4/22/80, in Simeon G. Reed Collection. Special Collections, Reed College.

<sup>87</sup> Most histories of the OR&N attribute Villard’s interest in the Washington Coal trade to his hope of providing fuel and freight for his railroads and steamships. See Peter J. Lewty, *To the Columbia Gateway: The Oregon Railway and the Northern Pacific, 1879–1884* (Pullman, Wash.: Washington State University Press, 1987), pp. 46–47; James B. Hedges, *Henry Villard and the Railways of the Northwest* (New Haven: Yale University Press, 1930), pp. 64–65; Carlos Schwantes, *Railroad Signatures Across the Pacific Northwest* (Seattle, Wash.: University of Washington Press, 1993), p. 63. This probably stems from Villard’s own memoirs in which he claims that the idea for the Oregon Improvement Company came from his extensive travels in the Northwest and his familiarity with the region’s resources. See Henry Villard, *Memoirs of Henry Villard, Journalist and Financier, 1835–1900*, vol. 2 (Boston: Houghton, Mifflin and Company, 1904), p. 292. In fact, it was Reed’s initial plan of developing the Oswego Iron Works that turned Villard’s interest from land speculation to resource development. Initially, Villard was more interested in developing an industrial empire based upon iron, and coal mining, centered around the production of steel. The weakness of iron deposits in Lake Oswego, south east of Portland, led Villard to abandon his visions of steel production.

Company (SC&TC), owned a modest mine at Newcastle, a small community southeast of Seattle on the eastern shore of Lake Washington (see map 11). The owners of the coal company, all prominent Seattle businessmen, also had a stake in the Seattle and Walla Walla Railroad (S&WWRR), a railroad that the coal freighted from Newcastle to the docks at Seattle.<sup>88</sup> In March 1880, Dolph wrote to Villard about the history and particulars of the Seattle and Walla Walla Railroad company explaining that the coal company, although in debt, had a guaranteed twenty-year contract with the road.<sup>89</sup> Villard indicated an interest to Dolph and the Portland lawyer relayed that interest to the railroad and coal mine owners. They offered to sell the mine and road to Villard but the financier demurred. Villard wrote to A.A. Denny, one of the owners of the road and told him that “various reports have reached me from different courses, throwing doubt upon mine.”<sup>90</sup> In part, Villard was playing coy, trying to force the owners to lower their expectations of Villard’s intentions. Yet, Villard still had little knowledge of Seattle coal, as even the Northern Pacific collieries were a mystery to him.

Villard enlisted the advice of an “expert” to determine the feasibility of both the coal mines and the iron works. This time, Villard turned to his cousin, Heinrich Hilgard, a geologist and soil scientist at the University of California and asked him to travel to Seattle and Portland to examine the various properties suggested to him by the Oregon managers. Hilgard went to Washington Territory in late June 1880 to examine both the coal deposits around the Newcastle mine, as well as the Northern Pacific mines further south at Carbon River and Wilkeson. Hilgard hoped to accomplish two things with respect to coals. First, he wanted to determine whether or not there was an adequate supply of coking coal in the region to process the iron ore that Reed so strenuously

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<sup>88</sup> Puget Sound entrepreneurs incorporated the S&WWRR to run from the Sound across the Cascades to the confluence of the Snake and Columbia. Despairing of the slow progress of the NPRR, the road’s founders thought they could either spur the transcontinental into action or eventually benefit from trade across the mountains. By the time Villard had invested in the OR&N, however, it was primarily a coal carrier. See Peter J. Lewty, *To the Columbia Gateway: The Oregon Railway and the Northern Pacific, 1879–1884* (Pullman, Wash.: Washington State University Press, 1987), pp. 14–15.

<sup>89</sup> J.N. Dolph to Henry Villard, 3/26/80, in Henry Villard Business Papers, box 89, folder 656. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>90</sup> Henry Villard to A.A. Denny, 5/8/80, in Henry Villard Business Papers, vol. 38. Baker Library, Graduate School of Business Administration, Harvard University.

argued existed there. In addition, he wanted to compare the formations at Seattle and Puyallup so as to adequately judge whether or not the Newcastle coals could compete with the Puyallup coals on the open market, for both coking and use in steam engines. He then traveled to Oregon where he examined coal and iron deposits at Oswego, along the Columbia River, at Heppner in eastern Oregon, and finally near Portland, at St. Helens.

Hilgard was most impressed with the Washington coals. Of the collieries at Puyallup, both the Carbon River, owned by the Northern Pacific, and an independent mine at Wilkeson, which Hilgard believed were part of the same bed, scored high marks in his judgment. "I would say in general that the Carbon River coals are quite equal in quantity to the magnitude assigned them by the reports made," Hilgard told his cousin in late June. "I can have no doubt of their continuity for ... several miles." As for the Wilkeson beds, "so far from being [the] insignificant, twisted about 'veins' I had been led to anticipate, they are solid, tangible beds 6, 8, & 10 feet thick, and quite as regular as those of Carbon River." Hilgard told Villard that both Wilkeson and Carbon river could "be made into first class coke--hard, steel gray, and apparently in every way adapted to iron smelting."<sup>91</sup>

By contrast, the Seattle coals around Newcastle were ill-suited for processing iron. Hilgard reported that they were simple lignites—coal that were not hard enough to be used for coking.<sup>92</sup> However, the mine at Seattle was perfectly positioned over what Hilgard claimed to be an enormous mass of good steam coal. "First let me say that I regard the accounts given of complicated breaks and flexures," Hilgard wrote Villard, "as altogether unfounded in fact.... At Seattle, that tunnel now runs on the same bed ... for two and a quarter miles!" Hilgard went on to claim that he had "never seen a mine so easily and inexpensively worked. There is practically no timbering needed, and in almost every respect, it would be hard to construct a mine of more good point—always

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<sup>91</sup> Heinrich Hilgard to Henry Villard, 6/25/80, in Henry Villard Business Papers, box 30, folder 249. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>92</sup> There are three types of coal on the Pacific Coast, anthracite and bituminous, and lignites. Anthracite is the highest quality because it burns hotter for longer; bituminous coal occupies a mid-range and lignites are soft coals which do not travel well, nor do they burn with much heat. See F.E. Melder, "History of the Discoveries and Physical Development of the Coal Industry in the State of Washington," *Pacific Northwest Quarterly* 29 (1938): 151-165.

excepting, of course, the quality of the coal for metallurgical purposes especially.” He claimed that the mine produced 18,000 tons of coal in May, but he estimated that it could put out over 2000 tons a day if properly financed.<sup>93</sup> Hilgard argued that differences in the Seattle and Puyallup collieries, the fact that they were not a continuous bed, suggested that there might be anthracite coal in the region, but that would require further investigation. Thus Hilgard reported that the bituminous Northern Pacific coals were of a better quality, but the sheer abundance of the lignite coal at Newcastle made the deposit valuable.<sup>94</sup>

After Hilgard had examined the Washington collieries, he made his way to Oregon to examine several different iron deposits in that state. “Now as the question of a possible coke supply from the Puyallup region may be considered as practically settled,” Hilgard told Villard, “the question of iron ore supply takes precedence of any other developments of lignites.”<sup>95</sup> Hilgard stopped at Oswego where he conducted several tests of the foundry’s ore and pig iron, both of which he found wanting. Next, he traveled along the Columbia to Rooster Rock and then to Heppner, in Eastern Oregon; in both cases, he felt the deposits were unsatisfactory. He returned to the Portland area and visited St. Helens to investigate both iron and coal deposits there owned by Reed, Ainsworth, and Ladd. He judged the coal beds as worthless. “On the other hand,” he told his cousin, “I am very favorably impressed with the iron prospect, so far as quantity is

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<sup>93</sup> Heinrich Hilgard to Henry Villard, 6/27/80, in Henry Villard Business Papers, box 30, folder 249. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>94</sup> See James B. Hedges, *Henry Villard and the Railways of the Northwest* (New Haven: Yale University Press, 1930), p. 65; and Peter J. Lewty, *To the Columbia Gateway: The Oregon Railway and the Northern Pacific, 1879–1884* (Pullman, Wash.: Washington State University Press, 1987), p. 46. Both Hedges and Lewty begin with the assumption that Villard was more interested in controlling the coal trade than anything else. Thus, they assume that Hilgard’s comparison of the two coals was the scientists primary goal in the region. They all but ignore Hilgard’s surveys of iron deposits, which, I argue, were the basis for his trip to the Northwest. Indeed, because Villard never fully financed Reed’s Oswego Iron Works scheme, historians have always assumed that the financier was solely interested in coal. This mistaken assumption is based on a reading of history that places Villard at the center of the decision-making process, whereas in fact, the managers and engineers that resided on the Pacific Slope were much more influential in guiding Villard’s enterprises than historians have given credit.

<sup>95</sup> Heinrich Hilgard to Henry Villard, 6/27/80, in Henry Villard Business Papers, box 30, folder 249. Baker Library, Graduate School of Business Administration, Harvard University.

concerned.... There is here a deposit of ore quite equal to that of Oswego in magnitude, and apparently of greater proportion of solid, and hence probably purer, limonite.”<sup>96</sup>

When Hilgard had finished assessing both coal and iron deposits in the Pacific Northwest, he went back to Berkeley where he conducted laboratory tests on the specimens he collected in the region. His tests confirmed his field findings for both the iron and the coal. He was the most urgent about the iron deposits at St. Helens, which he told Villard to act on immediately. Hilgard still felt that the St. Helens iron ore was much superior to the Oswego ore. Indeed, according to Hilgard, both ore and pig-iron samples from Oswego “make a poor showing indeed, as I was led to fear from the result of a blowpipe test made at Portland.”<sup>97</sup> According to Hilgard, both the Oswego mine and manufacturing facility were sub-par, and he advised Villard not to invest in either. As for the collieries in Washington, Hilgard recommended that Villard invest in the Newcastle facilities, and if he had the funds, to consider buying the independent mines at Wilkeson.

Villard’s reactions to his cousin’s reports point to the relative importance of the surveys; they also tell us much about what Villard had hoped to accomplish with respect to mining in the Northwest. First, Villard, told Reed he was not willing to finance the mine. “We shall not be justified in availing of the option to purchase the property,” the financier wrote, “within the last few days, I have again submitted the ‘pig’ analysis to an expert, who agreed with the others consulted that the extra large percentage of phosphorous in it made it worthless for our intended purpose.” Although Hilgard had assured Villard that supply of coking coal in the region was adequate, Villard felt the iron prospects did not warrant his attention. “Now, you know by this time,” he continued, “if I am satisfied of the value of a thing, I go as far as anybody in marketing it. But I am not willing nor can I afford to risk my reputation and standing upon a doubtful thing.”<sup>98</sup>

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<sup>96</sup> Heinrich Hilgard to Henry Villard, 7/11/80, in Henry Villard Business Papers, box 30, folder 249. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>97</sup> Heinrich Hilgard to Henry Villard, 7/21/80, in Henry Villard Business Papers, box 30, folder 249. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>98</sup> Henry Villard to Simeon G. Reed, 8/5/80, in Henry Villard Business Papers, vol. 39. Baker Library, Graduate School of Business Administration, Harvard University. Although Villard told Reed he would not stake his own name on the Iron Works, there is evidence to suggest that he encouraged Reed to go ahead with the scheme. By May of the following year, Villard did invest some \$50,000 in five shares of the

Although Villard refused to fully fund the iron works, based on Hilgard's recommendations, he did inquire about the St. Helens property owned by Reed, Ainsworth and Ladd. Limited capital, however, prevented him from following through with even the St. Helens property due to his purchase of the steamship company of Goodall, Perkins, and Co., an opposition line on the Pacific coast he bought to shore up weaknesses in the OSS system.<sup>99</sup> Coal was a different matter entirely. Hilgard's surveys had nearly convinced Villard that the Newcastle colliery could be a paying investment, but the financier was still unsure of its market value. He wrote to Oakes asking whether or not the Seattle coal could service the OR&N steamers. When Oakes responded that it could, Villard finally made up his mind to enter the coal trade. The massive amount of coal at Newcastle and its suitability for use on the company's steamers as reported by Hilgard and Oakes convinced Villard that he should obtain the mine as well as the railroad that would deliver the coal to Seattle's wharf.

Investigating the resources of the Pacific Northwest from New York was difficult enough, but purchasing them was even harder. Villard needed more than just engineers and scientists on the ground in Oregon, he also needed competent financial agents to purchase properties. Villard directed T.R. Tannatt, the OR&N land agent so crucial in obtaining the Palouse and Powder River lands, to enter into negotiations with the owners of both the Newcastle mine and the Seattle road. Tannatt was entirely responsible for the negotiations and even the purchase strategy. In August, 1880, Villard told Tannatt that he

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company. Reed went ahead and formed a new concern, the Oregon Iron and Steel Company in April 1882. Villard had no direct involvement in the company except that his 5 shares of OIW stock were transferred to OI&S. After the initial formation of the company, the story becomes quite confusing. Villard was never listed as a member of the board of OI&S, and it appears that he never held more than 5 shares of stock. Although he did tell Reed that he would take a one-quarter interest in the new company, a pledge of an additional \$129,000, but only on the condition that the rest of the directors raise some \$300,000 in new investment capital. This, the directors never accomplished. Instead, it appears that Villard helped Reed's iron works by providing it with small sums of capital, rather than investing in the enterprise on a large scale. See, Dorothy O. Johansen, "Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company" (Ph.D. Thesis, University of Washington, 1941). Johansen, however, argues that Villard's share in the company was much larger than the Villard documents seem to indicate. Other than a receipt for \$50,000 for an initial interest in the scheme, there is no evidence that Villard ever made good on his promise to take a quarter share of the company which Reed proposed.

<sup>99</sup> Henry Villard to Simeon G. Reed, 12/2/81, in Simeon G. Reed Collection, Reed Letterbook vol. 13. Special Collections, Reed College.

was “very favorably impressed with your general programme for getting control of both the Seattle and Carbon River [Wilkeson] mines, as well as of the Seattle Railroad, and of extending the latter to Carbon River, if necessary.”<sup>100</sup> Shortly thereafter, Tannatt managed to get control of the S&WRR, the SC&T mines as well as the mine at Wilkeson.<sup>101</sup> Tannatt’s role in the deal was paramount, but Villard nevertheless liked to think of himself as the principle factor in the investment. Writing about the transaction to another eastern director and financier, William Endicott, Jr., Villard gleefully exclaimed, “I enclose herewith some treats from Seattle papers, the reading of which will amuse you, to say the least. You will see that Gen’l Tannatt comes in for a very modest share of the glory!”<sup>102</sup> Even though resident managers may have identified the investment, done the research, and purchased the properties, because Villard had funded the venture, he felt he deserved credit.

After Tannatt had successfully completed the negotiations to purchase the Newcastle properties, their stewardship fell upon Oakes. The vice president immediately went to work to assess the situation at Newcastle and inform Villard as to what the properties lacked. Oakes told Villard that communication along the road was poor and that a new telegraph system should be installed in order to facilitate better transportation of coal to awaiting ships in harbor. In addition, there was an independent machine shop and lumber mill on the property that Oakes wanted to purchase. Finally, he felt that the current motive power was insufficient for what he hoped to accomplish, and he advised Villard to purchase two additional steam engines for the company.<sup>103</sup> Without these improvements, Oakes argued, transporting coal would not be profitable.

Oakes felt the situation at the coal mine was also in need of protection. He corresponded with Hilgard, who informed the vice president of additional coal lands at

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<sup>100</sup> Henry Villard to T.R. Tannatt, 8/5/80, in Henry Villard Business Papers, vol. 39. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>101</sup> See contract for Seattle Coal and Transportation Company between Henry Villard and Samuel Blair and George C. Bode, 11/1/80, in Henry Villard Business Papers, box 30, folder 248. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>102</sup> Henry Villard to William Endicott, Jr., 11/30/80, in Henry Villard Business Papers, vol. 39. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>103</sup> T.F. Oakes to Henry Villard, 11/17/80, in Henry Villard Business Papers, box 24, folder 210. Baker Library, Graduate School of Business Administration, Harvard University.

Coal Creek, a few miles from the opening of the Newcastle mine. Hilgard had written to Villard of these lands, but as they were not owned by the Seattle Coal and Transportation Company, Tannatt had not tried to purchase them.<sup>104</sup> Oakes determined to purchase them to preclude any competition in the region and immediately obtained from the public domain “four forty acre lots one hundred sixty acres for which we pay twenty dollars per acre.”<sup>105</sup> In addition, Oakes sent an agent to purchase more property from the Northern Pacific land grant on the Carbon River. He obtained title to two hundred acres of NP lands at around \$2.60 per acre. In all, Oakes had purchased 360 acres of coal lands for Villard’s enterprise. That same week, Oakes also closed negotiations with J.M. Colman for the machine shop on the grounds of the S&WWRR depot. He claimed that the shop was worth close to \$16,000, but was able to bring Colman down to \$10,500 for the shop and mill.<sup>106</sup>

Villard’s response to Oakes’s constant stream of letters illustrates that the financier had very little to do with matters on the ground. With regard to the land purchases, Villard told Oakes that he was “glad to see from your first quoted favors that you have carefully protected our interests pertaining to the Newcastle Mine by the land purchase you mention.” He went on to say, further illustrating the distance he had from the operation of his companies, “I trust you will do all that is necessary in the same direction, that is make any additional purchases without first referring to me.”<sup>107</sup> As for Oakes’s suggestions about the S&WWRR, Villard told his vice-president “You are already authorized by wire to construct the telegraph line and to purchase the saw mill at your figures. Your suggestion to purchase the best two engines ... appears to me a good

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<sup>104</sup> See Heinrich Hilgard to Henry Villard, 6/27/80, in Henry Villard Business Papers, box 30, folder 249. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>105</sup> T.F. Oakes to Henry Villard, 12/16/80, in Henry Villard Business Papers, box 24, folder 213. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>106</sup> T.F. Oakes to Henry Villard, 12/12/80 and 12/20/80, in Henry Villard Business Papers, box 24, folder 212 and 213. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>107</sup> Henry Villard to T.F. Oakes, 1/7/81, in Henry Villard Business Papers, vol. 41. Baker Library, Graduate School of Business Administration, Harvard University. Oakes also went on to purchase a wharf facility for the coal in San Francisco, and manned it with John L. Howard. See T.F. Oakes to Henry Villard, 2/4/81 and 2/15/81, in Henry Villard Business Papers, box 24, folder 215. Baker Library, Graduate School of Business Administration, Harvard University.



one.... I am obliged to you for the statement of your plans for supplying the OR&NCo with coal. Of course I gladly leave all this to your judgment.”<sup>108</sup> This response typifies Villard’s actions towards his companies after creation, and points to a larger generalization about capital and western resources: after initial investments, Villard, and other financiers and owners like him, preferred to leave daily business operation to more competent managers who resided in the West. We will see in the next chapter that the heavier Villard’s hand was in the operation of his enterprises, the more quickly his power over them would disintegrate. Villard’s strong personality and overbearing presence worked best when convincing fellow bankers and capitalists of the profitability of a scheme; these same characteristics would serve him ill when he tried to run the very companies he funded.

### **Incorporating Oregon: The Formation of the Oregon Improvement Company**

Thielsen’s purchase of the timber flumes and lands, along with Tannatt’s purchase of the Newcastle and Wilkeson collieries forced Villard to create an entirely new company, the Oregon Improvement Company. Because Villard already had competent managers and legal council in Portland, his investors decided to incorporate the new company under Oregon law, even though most of the properties were within Washington Territory. The laws which provided for private corporations in Oregon were peculiar: they required corporate board members and directors to be residents of the state, unless the company is organized to build “railroads, Military wagon roads, canals, and flumes,” in which case a minority of the directors could be non-residents.<sup>109</sup> This provision was supposed to keep Oregon lands and resources from being exploited by outside capital, while the railroad exception was no doubt due to the enormous initial costs of rail facilities. However, this specific legal apparatus further removed Villard from the

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<sup>108</sup> Henry Villard to T.F. Oakes, 12/6/80, in Henry Villard Business Papers, vol. 41. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>109</sup> “Of Private Corporations—Their Formation and the Appropriation of Land for Corporate Purposes” 14, October 1862, in State of Oregon, *Organic and Other General Laws of Oregon: Together with the National Constitution, and Other Public Acts and Statutes of the United States. 1843–1872* (Salem, Oregon: Eugene Semple, State Printer, 1874).

involvement in the OIC—legally it removed him entirely, but he still sought to play a role in the operation of the company—and as a result, the responsibility for creating and running the company quickly fell upon Dolph. As Villard’s legal council in Oregon, Dolph assumed nearly all of the legal work for the projects funded with capital obtained by Villard.

In mid October, 1880, Dolph and his partner, Joseph Simons met with Oakes to formalize the creation of the OIC. Similar to the OR&N, the OIC articles was a document with broad vision. Among other things, it authorized its owners to contract for and build railroads for other roads; operate the lines built; lease and operate “any railroad or railroads;” purchase stock in or facilitate companies formed “for mining or working coal, or iron;” “purchase, acquire, hold, open, develop, work, lease, mortgage, sell, convey, and dispose of gold, silver, iron, coal, copper, and other mines;” build and operate steamships on oceans and rivers of the Pacific Coast; buy and sell railroad material from and to existing roads; and “purchase, acquire, rent, hold, drain, improve, cultivate, lease, mortgage, sell, convey, and dispose of improved and unimproved lands”<sup>110</sup> The directors of the company included Oakes, Dolph, Simons, C.H. Prescott, and C.H. Lewis, also Oregon residents; Dolph himself was president of the company. As in the case of the OR&N articles, the OIC articles of incorporation engaged the legal apparatus of the state and federal government in an initial attempt to monopolize Northwestern resources. By spelling out the many transportation and resource development schemes in the articles, Dolph was able to assert the company’s right to carry out such operations under the concerted direction of one corporate body. Simply put, the OIC articles of incorporation legally sanctioned the company’s attempts at monopolizing western transportation and resources.

When it came to the new coal related properties, Dolph was convinced that their legal status needed to be revamped, this was most clear in the case of the S&WWRR. While Villard had intended the OIC to simply own the S&WWRR outright, Dolph felt

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<sup>110</sup> See “Corporate Charter, Oregon Improvement Company,” filed 10/21/80, in Henry Villard Business Papers, box 30, folder 241. Baker Library, Graduate School of Business Administration, Harvard University.

this move ill advised. Dolph felt that the existing corporate charter for the S&WWRR was too weak to withstand possible legal attacks from other corporate entities and protect its property. “I was not satisfied with the organization of that company.” Dolph wrote to Villard in late November. Villard suggested that the company simply transfer its property to the OIC wholesale, and to change the OIC articles to authorize it specifically to own and operate a road from Seattle to the mines. This too, however, would have left the OIC open to legal attack, based on the Oregon statute’s insistence that Oregon company’s be run by Oregon residents. When Villard financed the purchase of the S&WWRR, he was then and owner and director of the company. In order for the road’s property to be adequately transferred to the OIC, Villard’s ownership would need to be dealt with, considering the fact that he was not an Oregon resident. Instead of simply having the OIC purchase the articles for the S&WWRR, Dolph thought it best to unincorporate the road, draft articles of incorporation for a new road, and transfer the old company’s property to the new one, at which point the OIC would then “purchase” the new property which Dolph created.<sup>111</sup>

Four days later, Dolph went to Cowlitz, Washington Territory, to organize a new transportation company, the stock of which would be owned by the OIC. Chartered as the Columbia and Puget Sound Railroad Company, the new road was a legal entity with a sound charter. Oakes became president of the C&PSRR, and the OIC quickly “bought” the newly chartered road.

This Seattle story played itself out again the next year when Villard sent Hilgard back to the Pacific northwest in search of new coal lands, but this time, the company relied heavily on the state in order to accomplish his goals. Hilgard’s surveys of the previous year had peaked Villard’s interest in other coal resources. The financier told Hilgard, “your revelations regarding anthracite have wetted my appetites considerably.”<sup>112</sup> As soon as Hilgard had telegraphed Villard the final results of his 1880

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<sup>111</sup> J.N. Dolph to Henry Villard, 11/22/80, in Henry Villard Business Papers, box 89, folder 662. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>112</sup> Henry Villard to Heinrich Hilgard, 7/24/80, in Henry Villard Business Papers, vol. 39. Baker Library, Graduate School of Business Administration, Harvard University.

surveys, Villard asked him to go back to the Northwest the next summer to prospect for more coal entries. Hilgard visited both the Newcastle and the Carbon River mines again, as well as some promising lands along the Green River, east of the company's properties. He made several suggestions that Villard proved willing to finance, even as he was ignorant of his purchases. First, Hilgard told one of Villard's financial agents that certain lands near Newcastle, sections 30 and 32, T24N R6E, were necessary for the continued success of the Newcastle mine. When Dolph wrote to Villard to confirm the purchase, Villard quickly replied "Impossible for me to judge of such matters as purchase of coal lands regarding which you telegraph me, must be referred to Oakes. Know nothing whatever of matters."<sup>113</sup> By Hilgard's second trip to the Pacific Northwest, Villard was even less interested in understanding the workings of the enterprises he financed. Indeed, six months after the creation of the OIC, Villard had nearly nothing to do with the operation of the corporation.

Hilgard's recommendations for property along the Green River, however, met with controversy, and Dolph and Oakes turned to the state in order to achieve success. As Hilgard was prospecting along the Green River, he met NPRR scientists doing the same. Concerned that the transcontinental would pre-empt OIC interests, Hilgard immediately telegraphed Villard that the latter should file for lands in sections 18, 19, and 30 T21N R7E. Section 19 was part of the NPRR land grant and section 30 was listed as a claim to a Dr. McHenry, but section 18—what became known as the Franklin coal mine—was still part of the public domain.<sup>114</sup> Villard then telegraphed Dolph, instructing the lawyer to purchase lands in the vicinity. Dolph sent a party under General Armstrong to Washington Territory to secure the sections. In order to prevent speculation in mining, U.S. law required persons wishing to register mining claims similar to this one, to legally swear to the land commissioner that they had indeed set foot on the claim, and Armstrong and a team of men went north to fulfill this agreement.

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<sup>113</sup> Henry Villard to J.N. Dolph, 5/31/81, in Henry Villard Business Papers, box 90, folder 667. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>114</sup> Heinrich Hilgard to Henry Villard, 7/12/81, in Henry Villard Business Papers, box 30, folder 253. Baker Library, Graduate School of Business Administration, Harvard University.

Trouble first ensued when Armstrong attempted to reach the land in question. The area was so thickly forested and the surrounding hills so twisted that it was almost impossible to get to. The Surveyor General of Washington Territory had not even extended surveying parties to much of township 21.<sup>115</sup> But in order for Armstrong to swear that he had set foot on section 18, the land needed to be legally identified in a survey. Dolph's partner, Joseph Simons immediately left for Olympia to try to negotiate with the Surveyor General's office to have the land surveyed. Additional land law made provisions for such instances—the task of surveying the public domain was so large that the Surveyor General's office did not always anticipate demands of settlers. When an instance such as this arose and parties requested special surveys, the government allowed the interested parties to pay a small compensation to surveyors in order to help defray the higher fixed costs of individualized surveys.<sup>116</sup> Upon Simons's request, a Deputy United States Surveyor agreed to survey the land at once, but not simply for the nominal sum which the law allowed. In what Dolph called the “kindness of the surveyor general” the lawyer “found it necessary to agree on the part of the Company that we would supplement the compensation allowed by law with a sufficient additional sum to fairly compensate him for his work.”<sup>117</sup>

Even after Dolph and Simons paid Shelton for the survey, the company still had trouble securing the land that Hilgard recommended. By 23 August 1881, Shelton had been in the field for a week, and had surveyed the western and northern border of the section. The surveyor anticipated the survey would take not longer than 30 days, but once in the field, he realized it would take almost 70 days due to the difficult terrain. “It is a fearful task,” Armstrong told Dolph, “imagine the dense timber weighted down by the snows of two winters since, lying in a tangled mass on the ground where for hundreds of

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<sup>115</sup> J.N. Dolph to Henry Villard, 7/29/81, in Henry Villard Business Papers, box 90, folder 670. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>116</sup> When a surveying party systematically surveyed entire sections of the public domain, transportation and administrative costs, as well as the cost of supplies were less than if a surveyor traveled to an area to complete a small, focused survey. See Hildegard Binder Johnson, *Order Upon the Land: The U.S. Rectangular Land Survey and the Upper Mississippi Country* (New York: Oxford University Press, 1976).

<sup>117</sup> J.N. Dolph to Henry Villard, 8/23/81 and 1/9/82, in Henry Villard Business Papers, box 90, folder 671 and box 91, folder 676. Baker Library, Graduate School of Business Administration, Harvard University.

yards you have to walk twenty feet above the ground ... all this must be done while carrying your blankets and grub on your back.” Armstrong and his men accompanied Shelton while the surveyor was in the field, providing supplies, and even extra labor “as fast as his men have quit or given out (but few can stand the fatigue). I think I shall put on one man extra at the Co’s expense in order to hurry up the survey and will spare no exertions to expedite matters as fast as possible.”<sup>118</sup>

Armstrong, Dolph, and Oakes might have lost their claim to section 18, were it not for the company’s ability to pay for the surveyor. While Shelton surveyed the section, Armstrong began “improving” the claim in order to further protect their rights to it. He sunk prospecting shafts and built a cabin on the section. Sometime after he began his improvements, Armstrong found a notice, dated 9 July 1881, by a group of San Francisco and Seattle prospectors led by a man named J.J. Crow, who claimed possession of the section. The notice claimed the group had made improvements, and had discovered a seam of coal, both of which would have gone far to secure their rights in court. On 23 July, two of the men visited Armstrong’s encampment. Armstrong related the scene to Dolph: “the leader ... remarked ... ‘I thought I had a coal claim here but it looks like I haven’t.’ I answered yes. ... I asked him what improvements he had made, he replied ‘have been four times and have been surveying on the section’ (evidently all bosh) Said he had brought the men along to work on the claim. On his leaving he remarked that I should likely see him again.”<sup>119</sup> Armstrong stayed on the claim, while he and the OIC crew continued to prospect and make new coal discoveries in what he called an “immense” deposit. “Don’t think there is a better section in the mountains,” he told Dolph.<sup>120</sup> In addition, they prospected and laid claim to sections 4, 6, 8, 10, and 12 T21N

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<sup>118</sup> General Armstrong to J.N. Dolph, 8/23/81, in Henry Villard Business Papers, box 90, folder 671 and box 91, folder 676. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>119</sup> General Armstrong to J.N. Dolph, 8/23/81, in Henry Villard Business Papers, box 90, folder 671 and box 91, folder 676. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>120</sup> General Armstrong to J.N. Dolph, 8/30/81, in Henry Villard Business Papers, box 90, folder 671 and box 91, folder 676. Baker Library, Graduate School of Business Administration, Harvard University.

R7E. Although Crow served Armstrong papers to vacate the claim, by 10 October, Crow's party had left the claim to Armstrong.<sup>121</sup>

The OIC success at obtaining coal lands around Seattle was due to a number of factors. Armstrong and Dolph's correspondence fails to indicate what made Crow leave, but Dolph seems to indicate to Villard that the act of surveying the land may have played a role. Ample amounts of capital helped to cement a close relationship to the General Land Office, which in the case of surveying public lands served the company well. Using the power of the state, the OIC was able to trump demands from smaller groups of prospectors, whose funds might not have covered the "additional compensation" required by Deputy Surveyor Shelton. A stricter reading of the statutes might even have afforded the rival prospectors the rights to section 18, but for these men to triumph, they would have had to endure a lengthy legal process to assert their primacy. Initiating a courtroom battle would have dramatically increased field expenses for supplies, not to mention the costs of lawyers, legal briefs, and courtroom time. Dolph, a trained lawyer and president of the OIC, acted as the company's legal council. His salary as well as his considerable investment in Villard's enterprises more than compensated him for the time spent considering just such issues, and he spent many days in a courtroom and nights pouring over legal documents hoping to protect the OIC from its competitors. Thus legal processes demanded capital which many small, independent prospectors did not have. It seems likely that the simple realization by Crow and his fellow claimants that Armstrong was serving the Villard interests, might have been enough to dissuade them.

The same capital which helped to fund the survey of the land also proved instrumental elsewhere as it allowed the OIC to outspend its competitors in the field, not just the courtroom. Villard had obtained over \$7 million in capital upon the creation of the OIC to acquire paying properties in Oregon and Washington. The company's ability to fund Armstrong's party for over 50 days of supplies allowed him to remain on the claim uninterrupted. "Of course the expense of taking and holding so many sections has

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<sup>121</sup> General Armstrong to J.N. Dolph, 10/6/81, in Henry Villard Business Papers, box 90, folder 672 and box 91, folder 676. Baker Library, Graduate School of Business Administration, Harvard University.

been considerable,” Dolph told Villard after the controversy had been settled, “but such course was the only one which could be taken as the sections could not be reached until trails had been cut to them and it was impossible to ascertain whether they were valuable for coal without the expenditure of considerable labor upon them.”<sup>122</sup> Even as Armstrong fought for control of section 18, another company prospector, geologist Bailey Willis, explored lands around the Wilkeson collieries. Willis recommended that the company file for over 400 acres of coal lands in sections 10, 16, and 22 T18N R6E. Dolph quickly heeded Willis’s advice and spent the money necessary to obtain title to those lands.<sup>123</sup> Employing both Armstrong and Willis, indeed, simply supplying them, not to mention government surveyors such as Shelton, demanded capital that often times far exceeded the amounts readily available to smaller, more local independent groups such as Crow. Although Villard might not have been active in the creation or operation of the companies historians have credited to him, Villard’s work as a financier and his ability to funnel eastern and European capital into these Oregon enterprises was essential to their success.

Were it not for the peculiar legal demands of Oregon law, it is possible, though not likely, that Villard might have insisted on a larger legal role in the company, instead of leaving its creation and operation to men such as Dolph and Oakes. What is clear however, is that Villard needed, indeed in the case of the OIC was legally obliged, to rely on the managers who resided within Oregon to make his enterprises successful.

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The early story of the OR&N gives us insight into the development of large American corporations and the industrialization in the American West. New markets and the lure of resources attracted internationally financed corporations to try their hand in a space that they knew little about. The OR&N sought to carve out their own capitalist space in this far-flung region, but directors had to be close to European and American

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<sup>122</sup> J.N. Dolph to Henry Villard, 1/9/82, in Henry Villard Business Papers, box 91, folder 676. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>123</sup> J.N. Dolph to Henry Villard, 1/9/82, in Henry Villard Business Papers, box 91, folder 676. Baker Library, Graduate School of Business Administration, Harvard University.



financial centers in order to obtain the capital necessary for their endeavor. The distance between metropolitan centers of capital and the peripheral spaces of the OR&N's own commercial activity created a problem. Corporate directors in Boston and New York relied upon surveyors, scientists, and engineers to gather information about the region, such as the location of market centers, possibilities for investment, and the availability of different resources. In addition to information, eastern directors needed individual managers to actually manage the OR&N's operations in Oregon and Washington. Investment opportunities, labor disputes, and corporate competition in the Pacific Northwest demanded a hierarchical management structure that could deal with events and circumstances in the West itself, a corporate structure that could negotiate the distance between centers of capital and centers of operation.

Although most historians have given Villard, and men like him, most of the credit for the creation and success of the OR&N, another look at the relationship between Villard and the managers tells a more complex story. The organization created by the OR&N placed much of the responsibility of running the road in the hands of resident managers in the Northwest. Managers took their responsibility for daily operations and carved out space for themselves in the long-term strategy of the road. Villard was far from the sole person responsible for determining the strategy and maneuvers of the OR&N. Although Villard had the final word—primarily because he controlled the capital—the western managers were highly influential in the direction of the road.

Analyzing the relationship between the western managers and eastern directors of the OR&N demonstrates the process by which industrial capital came to an understanding of the Pacific Northwest. At the center of the relationship between managers on the periphery and the metropolitan directors was geographic knowledge. Perceptions of the Pacific Northwest became the language with which the two groups communicated. OR&N managers in the Pacific Northwest sent survey reports, geographic analysis, and maps along with detailed discourses on the benefits and drawbacks of railroad routes, the region, and its resources. Because the western managers were responsible for the creation of that knowledge, they were integral to the operation and strategy of the road; their

letters and reports posed the questions that eastern directors then answered. The geographic knowledge created by resident managers that enabled them to direct the OR&N daily operations, but also provided metropolitan corporations with an impetus for action and investment in the region. It was thanks to managers such as Thielsen, Reed, Oakes, Dolph, and Hilgard, that the company committed to a variety of economic ventures in the Pacific Northwest. The Oregon managers utilized their experiential knowledge gained on the ground in the Pacific Northwest to convince the eastern directors to fund projects other than rail. Villard's nature was such that he needed little convincing, but he did require individuals to wade through the morass of booster literature and the wild claims of the region's inhabitants. He understood that his knowledge of the region was imperfect at best and readily accepted advice from his Oregon managers.

The industrialization of the West at the hands of outside capital would not have been possible without the complex and nuanced archive of geographical knowledge created by resident managers. In addition to playing a major role in the creation of long-term investment strategy resident managers such as Thielsen turned their geographical observations into legal documents. These paper landscapes were as important to Villard's empire of rails than the steel upon which the trains ran. Articles of incorporation, survey reports, and maps of location were more than tools in the creation and operation of a corporation. They were paper landscapes that interpreted the Oregon countryside through a legal framework and played an active role in the history of the railroad itself. The archive of geographic knowledge created by resident managers was a means of engaging with the legal apparatus which governed property rights. State and federal law allowed the OR&N to obtain property rights simply by articulating geographic information. The legal understanding of private property, embedded in the company's paper landscapes, gave the OR&N control over the landscape before the company had ever employed laborers to move the earth or lay steel rails. Of course, it would take more than simply a document to literally hold title to the many landscapes listed in the OR&N charter, but as

we will see in chapter 4, the charter provided the legal basis for protecting the company's exclusive rights to these trading trails.

## **4. Maintaining the Monopoly**

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### **International Capital, the State, and the Creation of Capitalist Space in the Pacific Northwest**

*Parallel roads as a general thing are damaging to capital.*

– C.B. Wright to Simeon G. Reed.<sup>1</sup>

Although the OR&N owners, managers, and engineers reached an agreement on where and when to build the various lines in the OR&N system, the company's hold over the area it sought to control was tenuous. The OR&N may have inherited a near monopoly of the Columbia River from the OSN, but the same laws which the company utilized to secure property rights also provided other corporations with a chance to challenge the OR&N's control. In this chapter we will see how both local capitalists and international corporations contested the OR&N's tenuous control over the region. Their weapon was geographic knowledge. Combatants sought to manipulate property rights, or the legal definitions of geographic information, in order to control transportation routes.

Access to and ownership of rights of way was the foundation of western railroad empires. More than the steel rails over which the engines traveled, property rights on any given route proved the most important component of a rail system. The federal government recognized this and made liberal provisions to encourage the growth of railroads. After the Civil War, the United States government lacked the capital and constitutional structures for large public works projects like railroads, and Congress turned to the private sector to complete the task of integrating western markets and resources. Through a series of laws relating to railroads, condemnation proceedings, and the public domain, the state created a unique legal apparatus to aid railroad expansion. In the West, where much of the public domain had yet to be surveyed, this new system

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<sup>1</sup> C.B. Wright to Simeon G. Reed, 5/12/80, in Simeon G. Reed Collection, Reed Letterbooks, vol. 11. Special Collections, Reed College.

relied on the ability of the government and corporations to work together to turn geographic knowledge into legal, fee simple, property rights. Thus at the foundation of these corporate struggles lay the federal government. The legal code governing property rights and railroad development meant that the federal government played a large role in the creation of capitalist space in the nineteenth-century Pacific Northwest.

Unsurveyed public land provoked numerous legal contests over ownership of any given right of way, and the stories, which differ from the challenges to the OSN monopoly, tell us much about the intersection of state and corporate power in the Pacific Northwest. First, we will investigate local challenges to the OR&N's rail monopoly. A group of Northwestern entrepreneurs led by Lawrence Coe created a new company, the Portage Railway Company to attack the OR&N monopoly at the Cascades. The OR&N responded on the ground in Oregon and in the halls of the Interior department in Washington, D.C., as company managers in the West and East worked together to defeat Coe's challenge. Then we will investigate the battle for the entire Columbia Valley between the OR&N and a reinvigorated Northern Pacific. Directors from the latter company hoped to make good on their congressional charter, but delays and inactivity had given the OR&N the upper hand. Both local and eastern capitalists looked to the unstable rights of way to challenge the progress of the OR&N, but the NPRR entered into negotiations with the OR&N to define those rights, preferring to cooperation and negotiation to state regulation. Just as British and American plenipotentiaries had divided up geographical space and created new political geographies in the Oregon country of the 1820s and 40s, corporate negotiators carved up the map of the Pacific Northwest to create new geographies of capital and trade.

In both cases both the former OSN directors—long-time Oregon residents, who understood the political and legal landscape—worked with newly arrived managers to repel with these challenges in the Pacific Northwest. OR&N managers in Oregon formulated strategy and transmitted crucial knowledge to the eastern directorate, geographic information that became the vocabulary of the corporate negotiations. However, railway law and the NPRR's congressional charter gave these corporate

contests an especially federal character, and the railroads worked assiduously to cultivate a relationship with interior department officials and other officials in Washington, D.C. Finally, the OR&N and the NPRR were internationally financed corporations, and their battles were also dependent on access to capital. The story of the OR&N's corporate contests are the story of these three inter-related set of circumstances. We cannot understand Villard's success, or his failures, without taking them all into consideration.

### **Problem Property: Local Competition at the Portages**

When Henry Villard purchased the Oregon Steam Navigation Company, he did more than purchase a secure steamship monopoly on the Columbia River. He thought he had purchased the river itself. His new company controlled all transportation along the waterway. The OSN property at the Cascade and Dalles portages had effectively shut down the river as a common highway during the time of the OSN. The OR&N, as new owner of the portages, felt that it controlled the entire river just as the earlier corporation had. The OR&N eastern directors were not aware, however, of the tenuous hold that the OSN had had on the portage property. They knew nothing of the legal battles the OSN undertook to control the portage land, or the many local challenges brought on by Oregon capitalists. When Villard purchased the OSN, he thought that he was buying an unassailable monopoly. Little did he know, however, that the monopoly came with a price: constant legal wrangling. As we saw in chapter 2, local capitalists such as Ankeny, Chapman, and others had constantly challenged the OSN over the portages. But with a change of ownership at the Cascades, many of those same individuals, as well as new entrepreneurs and corporations renewed their assault on the Columbia River monopoly.

Soon after Thielsen began surveying in eastern Oregon in 1879, local entrepreneurs, calling themselves the Portage Railway Company (PRC), determined to break the new company's exclusive access to the Cascade landscape. The story surrounding the battle between the OR&N and the PRC for the Cascade portage illustrates the importance of geographic knowledge in the maintenance of transportation monopolies. The OR&N conducted surveys, filed maps of definite location, and even

went to court to define the nature of their property along the Columbia portage. The picture that emerges, however curious, is one of great historical significance: paper landscapes, legal documents based upon geographical information, were more important in securing the right of way at the cascades for the OR&N than the steel rails that would eventually run along the river. By following the guidelines set out by the federal and state statutes, instead of actually building the road along the Cascade portage, the OR&N was able to delay their own construction while at the same time denying the rights of other corporations to use the land. Yet, the very same statutes which helped the OR&N triumph in their legal battles, gave the PRC the legal right to challenge the OR&N's control. Although the OR&N eventually eliminated the PRC challenge, the local contest did not come without its price. Instead of reaping the benefits of complete control over the Columbia and concentrating on the completion of feeder lines, the struggle at the Cascades convinced Thielsen and the other Oregon managers—who eventually persuaded Villard—of the necessity for the speedy completion of the Columbia line.

The contests at the Cascades illustrates two important aspects of the development of American capitalism in the West. First, legal images of a landscape were all-important in the capitalist development of the West as they were in the settled metropolitan areas east of the Mississippi River. But, because much of the new corporate development depended on land owned and managed by the federal government, legal descriptions of the land they took on an increased importance in the western states and territories. Corporations lobbied Congress and state legislatures and fought in local courts to translate geographical information from survey reports into property rights. Second, although extra-local corporations and capital often exercised great power over the region's development, they were not immune from the challenges of local capitalists.

With the purchase of the OSN, Villard felt his control of the Columbia was complete. When the United States Supreme Court forced the Denver and Rio Grande to share a portion of its right-of-way, William Lloyd Garrison Jr., Villard's brother-in-law, and holder of over \$50,000 in OR&N securities, wrote to Villard. He was concerned that the new company would lose its hold of the Columbia River portages. The court had just

declared a section of the D&RG a “narrow pass” and thus by the statute of 1875 granting railroads right-of-way on the public domain, the D&RG would have to share its route with another company through that particular canyon. “I do not believe,” Villard told Garrison, “that the Columbia River valley can be made out a cañon or gorge coming within the meaning of the act of Congress.” Villard assured Garrison that “actual surveys demonstrated that the existing lines [along the portages] cannot be duplicated.”<sup>2</sup>

Although it would seem that Villard’s understanding of the Cascades was the very definition of a “cañon or gorge,” Villard conducted his affairs with two basic assumptions. First, he believed that “the Oregon S.N.Co. was authorized by a special act of Congress passed long before the act to which the Supreme Court decision had reference, to construct the portage lines and therefore possesses vested rights which cannot be impaired by subsequent legislation.”<sup>3</sup> In Villard’s mind, OR&N control over the Cascades was assured by prior legislation which negated the language of the 1875 Act. Villard also trusted in the sanctity of charters. On each side of the Cascades, the

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<sup>2</sup> Henry Villard to William Lloyd Garrison Jr., 6/25/79, in Henry Villard Business Papers, vol. 33. Baker Library, Graduate School of Business Administration, Harvard University. In 1878, the Supreme Court ordered the Denver and Rio Grande Railway Company to share its right of way through the Grand Canyon of the Arkansas in Colorado with the Cañon City and San Juan Railway Company. In 1879, the D&RG appealed, but the court upheld their prior decision. See *Denver and Rio Grande Railway Company v. Cañon City and San Juan Railway Company*, *United States Reports, Supreme Court*, vol. 99, (Boston: Little, Brown, and Company, 1879) pp. 463–482; and *Ex Parte Railway Company*, *United States Reports, Supreme Court*, vol. 99, (Boston: Little, Brown, and Company, 1880) pp. 711–721. Hereafter cited as *United States Reports*. The case set precedent for roads hoping to share rights of way through narrow passes or canyons that easily allowed only one line. The justices acted on language from the 1875 statute that granted free access to rights of way through the public domain 18 Stat., 482. 3 March 1875. The law, “An act granting railroads the right of way through the public lands of the United States,” stated “that any railroad company whose right of way, or whose track or road bed upon such right of way, passes through any canyon, pass, or defile, shall not prevent any other railroad company from the use and occupancy of the said canyon, pass, or defile, for the purposes of its road, in common with the road first located, or the crossing of other railroads at grade.” Villard told Garrison that the decision did not impact the OR&N route because the courts would not interpret the Columbia “valley” as a canyon.

<sup>3</sup> Henry Villard to William Lloyd Garrison Jr., 6/25/79, in Henry Villard Business Papers, vol. 33. Baker Library, Graduate School of Business Administration, Harvard University. Villard’s reference to the “special act of Congress” refers to the OSN’s ability to get Congress to overturn the Washington Territorial Legislature’s condemnation of OSN portage land on the Washington side of the Cascades, and the OSN’s fight to overturn the territorial legislature’s bid to break up Skamania county. See 14 Stat., 31 “An act to grant the right of way to the Cascade Railroad Company through a military reserve in Washington Territory”, 10 April 1866, which acknowledged the original Cascade Railroad Company’s right of way at the portage; 17 Stat., 77 “An Act to Amend the Organic Act of Washington Territory,” 29 Jun 1866. See chapter 2. See also Dorothy O. Johansen, “Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company” (Ph.D. Thesis, University of Washington, 1941), pp. 132–138.



OSN owned a separate corporation, both with corporate charters authorizing railroad right of ways. On the Washington side, the OSN had convinced Congress to overturn an act of the Territorial legislature authorizing a rival portage line. In addition, the OR&N currently used the Cascade Railroad Company, which Daniel Bradford had incorporated in 1859 “for the transportation of freights, passengers and mail, and to be constructed between the navigable waters above and below the Cascades.”<sup>4</sup> Similarly, the OSN had fought hard to keep the right of way secure for the Oregon portage road, built by J.S. Ruckel and Harrison Olmstead. The only successful challenger on the south bank had been the federal government, which was moving so slowly on its proposed canal and locks that neither the old OSN management nor the new OR&N executives felt particularly threatened.<sup>5</sup>

As was the case with much of Villard’s understanding of the Pacific Northwest, events in Oregon soon proved the him wrong. In October 1879, J.N. Dolph informed Villard that the Cascade portages were vulnerable: “Have learned of a proposed opposition upon the Columbia River and proposed railroad from Cascades to The Dalles or rather to Celilo.” Lawrence W. Coe, whom Dolph claimed to know “to be very unscrupulous and doubt his being able to command much means,” was behind the organization, still the lawyer was concerned.<sup>6</sup> The other Oregon managers worried about the portage opposition. Both Reed and Ainsworth, who had dealt with Coe’s threats before, felt the situation demanded action, and urged Villard to conduct a survey along the Columbia and begin filing maps of definite location. Originally, both Reed and

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<sup>4</sup> “An act entitled an act to incorporate the ‘Cascade Railroad Company,’” 1 January 1859, in Corporate Reports Series, Oregon Railway and Navigation Company. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>5</sup> Although I will discuss the Cascade locks and canal further in chapter 5, it is important to understand that even before the OR&N bought the OSN, the latter company had recently lost exclusive rights to the portages. The Army Corps of Engineers recommended a canal at the Cascades in 1875, condemnation proceedings did not begin until 1878, and the canal itself was not completed until 1896. See Randall Mills, *Sternwheelers up Columbia: A Century of Steamboating in the Oregon Country* (Palo Alto, Calif.: Pacific Books, 1947), pp. 143–144, and Oregon Steam Navigation Company Minutes, 3/1/78, in Records of the Oregon Steam Navigation Company. Special Collections, Reed College; see also William F. Willingham, *Army Engineers and the Development of Oregon: A History of the Portland District, U.S. Army Corps of Engineers* (Washington, D.C.: Government Printing Office, 1983).

<sup>6</sup> J.N. Dolph to Henry Villard, 10/29/79, in Henry Villard Business Papers, box 89, folder 652. Baker Library, Graduate School of Business Administration, Harvard University.

Ainsworth were opposed to the immediate replacement of river boats by rail because of the threat it posed to the profitability of the steamships.<sup>7</sup> Yet, the external threat to the organization's control of the portage lands took precedence over their concerns.

What distinguished Coe from any other challenger, was his familiarity with the portage lands, as well as the existence of another major railroad capable of using the portages to a great advantage. Before the OSN had even incorporated, Coe was partners with R.R. Thompson on the upper Columbia, where the two controlled the government supply contract to Fort Walla Walla. In 1862 they entered into the new OSN with 672 and 336 shares of OSN stock respectively, and both became corporate directors. Shortly thereafter, Coe sold his share and retired to San Francisco.<sup>8</sup> Now, nearly twenty years later, he was back, and once again interested in the portage lands. If there was anyone who understood their importance, and the legal situation which surrounded them, it was a former director of the OSN. In addition to Coe's intimate knowledge of the portages, there stood before the OR&N managers the Northern Pacific, a railroad to which Congress itself had granted Columbia River rights-of-way. If Coe succeeded in obtaining a right of way, he could sell that right to the Northern Pacific, immediately damaging the OR&N.<sup>9</sup>

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<sup>7</sup> As had been the case seven years earlier when Jay Cooke bought the OSN in an attempt to complete the NPRR, Reed and Ainsworth were probably waiting for the OR&N to collapse so that they could buy back OSN stock at a discount. Neither were convinced that Villard's company would be successful, and thus both wanted to ensure that the OSN would still control the Columbia in the even of Villard's failure.

<sup>8</sup> See Dorothy O. Johansen, "Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company" (Ph.D. Thesis, University of Washington, 1941); and Peter J. Lewty, *To the Columbia Gateway: The Oregon Railway and the Northern Pacific, 1879-1884* (Pullman, Wash.: Washington State University Press, 1987).

<sup>9</sup> What Coe was actually trying to do is unclear. There is no evidence indicating whether or not he intended to build the portage or simply obtain property rights and sell them to the Northern Pacific. Coe might have been serious about building a portage road along the rapids. Given his history in transportation, Coe could have had backing by other steamship owners looking to end the OSN/OR&N monopoly over river transportation. Completion of a portage road would have enabled a rival line to have access to both the lower and middle sections of the river. With the NPRR looking to build on the upper Columbia and in the Lake Pend Oreille region, another steamship concern along the Columbia could reap the benefits of this new upriver trade. Yet, the inclusion of the NPRR into the equation makes it entirely possible that Coe was not trying to build a portage road at all, but simply obtain the rights and sell them to the highest bidder. By trying to obtain a right of way to build along the Cascade rapids, Coe could have offered to sell his "company" to either the OR&N—so that they could secure their right of way—or to the NPRR in the hopes of selling those rights to the transcontinental. Earlier in the summer, Thielsen had warned Villard that NPRR engineers were rumored to be conducting Columbia River surveys. With the Pend Oreille route

Coe's chances for success rested on the fact that the OR&N was not currently using its right of way on the Oregon side of the Cascades (the same right of way that the OSN had let fall into disrepair during their tenure). The success of the Washington portage obviated the development of the Oregon portage. Similar to the OSN, Villard's enterprise realized that the very reliable and efficient road on the Washington side of the portage was more than capable of dealing with both upriver and downriver freight. Because of the rough terrain on the Oregon side, the OR&N would eventually have to spend a considerable amount of capital in order to make it a running road. Although the OR&N did intend to build along the Oregon side at some point, Villard, Reed, and Ainsworth, all had interpreted the Cascade portage as one of the final links. As we saw in chapter 3, they preferred to build feeder lines in the hinterlands to increase freight shipments along the trunk of the Columbia River—a mainline which the company felt was adequately serviced by its steamships and protected by property rights at the Cascades. In essence, many OR&N directors felt confident in their control of the portage lands, and were content to use sit on the south bank right of way until the rest of his system had been developed.

Coe and his fellow incorporators, however, benefited from both state and federal statutes governing private incorporation which allowed rival concerns a legitimate challenge to corporate transportation monopoly. In the first place, both sets of laws specifically denied the right of any one road to occupy ground that might secure a monopoly. Section two of the federal statute passed governing railroad locations stated that “any railroad company whose right of way, or whose track or road bed ... passes through any canyon, pass, or defile, shall not prevent any other railroad company from the use and occupancy of the said canyon, pass, or defile, for the purposes of its road, in common with the road first located, or the crossing of other railroads at grade.”<sup>10</sup> Built into the law was the right of corporate competition which explicitly denied exclusive

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under construction, the transcontinental might have been trying to bypass the OSN/OR&N river monopoly, thus cutting its construction costs by shipping its own materials up the river. See Henry Thielsen to Henry Villard, 6/15/79; in Henry Villard Business Papers, box 22, folder 176. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>10</sup> 18 Stat., 482. 3 June 1875.

access to strategic points capable of granting a monopoly of an entire transportation system.

Although the Oregon law, which took precedence over the federal statute, did not articulate an explicit remedy for corporations seeking joint use of a “canyon, pass, or defile,” it did provide a means for appropriating private property which stood in the proposed right of way. It was this clause which Coe and his fellow incorporators hoped to utilize in their challenge to the OR&N. The Oregon law declared that a corporation organized for the construction of a transportation route, be it a railroad, plank road, wagon road, or canal, “shall have a right to enter upon any land between the [proposed] termini ... for the purpose of examining, locating, and surveying the line of such road.” Once the new company, in this case Coe’s, decided upon a route for its road, it then had the right to “appropriate so much of said land as may be necessary for the line of such road,” for railroads, a right of way sixty feet wide, plus land for tolls houses, work shops, side stations, and depots. Should a road be so surrounded by another piece of privately held property, the statute also provided for an access right of way to the sought after land. If this appears a liberal statute, it was not without its limits. No appropriation, the law declared, “shall be made, until compensation therefore be made to the owner thereof, irrespective of any increased value thereof, by reason of the proposed improvement.” If the owner and the transportation company should disagree on the value of the particular piece of land, the law provided that “such corporation may maintain an action in the circuit court of the proper county against such owner for the purpose of having such lands appropriated to its use, and for determining the compensation to be paid to such owner therefore.”<sup>11</sup>

Those same statutes that provided Coe with a legal basis for his challenge, also provided the OR&N with a sound foundation upon which to deny Coe, or make it too expensive for him to continue. Although the letter of the law expressly denied the right of

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<sup>11</sup> “An act providing for private incorporations and the appropriation of private property therefore,” 14 October 1862. In State of Oregon, *Organic and Other General Laws of Oregon: Together with the National Constitution, and Other Public Acts and Statutes of the United States. 1843–1872* (Salem, Oregon: Eugene Semple, State Printer, 1874), p. 530.

any single corporation to control canyons or gorges, Dolph knew that enforcement was costly and time consuming. If the OR&N devoted a modicum of capital to a legal battle, they could drag out the proceedings for months or years. They hoped that Coe's funding would run out, and he would eventually give up.

Dolph and Oakes set out to frustrate the portage challengers, by making use of their heretofore unused right of way on the Oregon portage—a tactic that the OSN had employed time and again in its history. If Coe's success rested on condemnation of the road, then he needed a jury to assess the land as it was, without a working road “irrespective of any increase value thereof, by reason of [Coe's] proposed improvement.”<sup>12</sup> But if the OR&N demonstrated an imminent interest in the landscape for their new south bank through-line, a jury would have to value the land higher. The OR&N plan for the portage lands would automatically increase the value of those lands. If a passable road existed in the region where another company sought condemnation, any reasonable jury would set the price of the sought after land at a fairly high price, as they had in the Chapman suit.

Dolph began to secure the OR&N's rights on the Oregon side of the river by creating a paper landscape proved as powerful as the company's eventual steel rails. He intended to file “maps of definite location” over the portage road in an attempt to preempt any challenge.<sup>13</sup> “Mr Koehler is having prepared in his office,” Dolph told Villard, “Maps which can be used for filing whenever the road is located.”<sup>14</sup> Maps might have

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<sup>12</sup> An act providing for private incorporations and the appropriation of private property therefore,” 14 October 1862. In State of Oregon, *Organic and Other General Laws of Oregon: Together with the National Constitution, and Other Public Acts and Statutes of the United States. 1843–1872* (Salem, Oregon: Eugene Semple, State Printer, 1874), p. 530.

<sup>13</sup> Maps of definite location were the maps required by the land department in order to secure rights of way through the public domain. For a discussion of maps of definite location, see chapter 3 above; see also “An Act granting to railroads the right of way through the public lands of the United States,” 18 Stat. 482–483. For the General Land Office's interpretations of the law, see J.H. Mitchell to Henry Villard, 5/6/81, in Henry Villard Business Papers, box 82, folder 576; General Land Office Commissioner C.W. Holcombe to J.H. Mitchell, 2/11/81, in Henry Villard Business Papers, box 82, folder 575; General Land Office Commissioner, N.C. McFarland to J.H. Mitchell, 8/15/81, in Henry Villard Business Papers, box 82, folder 578; and Starbuck to J.N. Dolph, 10/23/80, in Henry Villard Business Papers, vol. 40. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>14</sup> J.N. Dolph to Henry Villard, 10/29/79, in Henry Villard Business Papers, box 89, folder 652. Baker Library, Graduate School of Business Administration, Harvard University.

been Thielsen's most effective tool when advising Villard, but they also played a role outside the company's internal affairs. Maps, like articles of incorporation, were an essential part of the OR&N's paper landscape; the company created legal documents that established and secured rights of way throughout the region. The maps that Dolph and Koehler created to deal with the Cascade challenge were the same type of map that Thielsen drew to obtain the necessary rights of way through the public domain as well as the maps required to initiate condemnation proceedings for private land.

Dolph also tried to enlarge the OR&N's right of way to include strategic points along the Cascades to strengthen the OR&N hold on the landscape. He sent out a "competent man to procure a right of way at some difficult points where but one road can be constructed and where ... some rival organization would secure the right."<sup>15</sup> Dolph hoped that if the OR&N could demonstrate a clear title to as much of the strategic property as they felt existed, the company could dissuade Coe from carrying out his threat in court. The more property the OR&N forced Coe to condemn, the more difficult it would have been for him to successfully purchase all the necessary land. By holding title to so much land, the OR&N made it nearly impossible for local capitalists to purchase the right of way without substantial backing from larger and more profitable corporations, even at the condemnation price. In addition, Dolph knew that Coe would have to institute a lengthy and costly legal process in order to obtain the rights of way to so many pieces of OR&N land. With each additional purchase of strategic land, the OR&N exponentially increased the length and cost of a court sanctioned condemnation. For each piece of property Coe wished to condemn, a jury would have to assess the individual value of the property to the proposed road as a whole, and then assess a price. In early December, Dolph and Thielsen completed and filed the maps of definite location along the Cascades from Section 5 T2N R8E all the way through to Portland.<sup>16</sup> Over a year passed before Coe and his supporters continued with their challenge.

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<sup>15</sup> J.N. Dolph to Henry Villard, 10/29/79, in Henry Villard Business Papers, box 89, folder 652. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>16</sup> See J.N. Dolph to Henry Villard, 12/1/79, in Henry Villard Business Papers, box 89, folder 653; and H.C. McFarland to J.H. Mitchell, 8/3/81, in Henry Villard Business Papers, box 24, folder 210. Baker

In November 1880, the former OSN director renewed his challenge with an official declaration against the OR&N—a corporate charter. Coe incorporated the Portage Railway Company (PRC) with allies Fred R. Strong, a local judge, and D.H. Murphy. The business of Coe’s corporation, as stated in the charter, was to “construct, equip and operate a railroad in the State of Oregon ... [and] to transport over its railroad freight, mails and passengers for hire, and such tolls, fare and freight ... as it from time to time shall deem proper and reasonable to establish and collect.”<sup>17</sup> The power behind Coe’s articles, however, lay in their geographical specificity. Coe referenced the same township and range survey maps which the OR&N used to file their maps of definite location. His charter stated:

The termini of said railroad are located as follows, both on the left bank of the Columbia River in Section 12-T.2.N: of R.7.E. of the Willamette Meridian--the Northern or upriver terminus to be Westerly and within sixty feet from the point where the upper intersection of the West boundary line of the United States Land Reservation intersects the Columbia River in said Section and the Southern or down river terminus of said Railroad to be westerly on the bank of the river and within sixty feet of the point where the said west line of said canal reservation makes its lower intersection with said river in said Section 12.<sup>18</sup>

Both the Oregon incorporation law and the federal statutes granting powers to railroads demanded that corporations specify their intended routes and locations in their charters. The Oregon legislature reserved the right to deny an application for incorporation to a road that failed to indicate where it intended to run. Although the legislature had the ability to deny corporate charters, they almost never did so. Instead, what the legislature wanted was a geographical projection—a statement of geographical intent—in order to better understand and document the business of any given corporation. The legislature

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Library, Graduate School of Business Administration, Harvard University. The reasons for Coe’s delay are unclear, but might point to the fact that Coe’s scheme was dependent upon a strong challenge by the Northern Pacific. As we will see later in this chapter, by October 1880, the Northern Pacific had signed a traffic agreement with the OR&N, acknowledging the OR&N’s right to a road on the North Bank. In 1879, Coe might have been negotiating with the NP to obtain control of the portage as a proxy for the transcontinental, but when the two roads reached an agreement, Coe apparently set his sights on the OR&N.

<sup>17</sup> Articles of Incorporation, Portage Railway Company, 11/16/80, in Henry Villard Business Papers, box 24, folder 210. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>18</sup> Articles of Incorporation, Portage Railway Company, 11/16/80, in Henry Villard Business Papers, box 24, folder 210. Baker Library, Graduate School of Business Administration, Harvard University.

also forbid a road to deviate from its stated course without a supplemental alteration to its articles of incorporation. Such documents could prevent identical roads and helped lawyers and judges adjudicate disputes between corporations. The courts, especially, used charters when corporations contested rights of way over a given route or landscape, and gave priority to whichever corporation first claimed the landscape in their charter.

Two days after Coe and his supporters drew up their articles of incorporation Judge Strong, one of the incorporators and a partner in the legal firm of William Strong and Sons, notified Oakes of the PRC's intentions. In an official letter, Strong told Oakes that the Portage Railway Company, "a corporation formed under the laws of the State of Oregon," was seeking to appropriate land in Section 12, T2N R7E, "between navigable water above and navigable water below the obstructions in navigation of the Columbia River." Strong gave a detailed description of the land in question, some 8 acres, and listed the parcels of land that bounded it. He told Oakes that "the Portage Railway Company desires to settle amicably with your corporation, the owner of the land it desires to appropriate, and have instructed us to ascertain whether an agreement can be had as to the compensation to be paid for the rights and privilege we require."<sup>19</sup>

After a year of waiting, Oakes and Dolph now had to answer to Coe's scheme, but they still did not know the depth of Coe's pockets. Suspecting that Coe was acting alone, but at the behest of the NPRR, Oakes stalled what he thought was Judge Strong's bluff by fixing a price to the land that was inordinately high. "By fixing a large price upon the property," Oakes told Villard, "we will accomplish the same purpose as though we refused to enter into negotiations meantime we gain time enough to learn the facts in regard to the organization."<sup>20</sup> It was crucial that the OR&N determine who was behind the scheme, and just what kind of fight they had on their hands.

Oakes traveled to the Cascades and examined the location of the new portage road. Although he declared it "wholly inadequate," Oakes claimed that "it is the interest

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<sup>19</sup> Fred Strong to T.F. Oakes, 11/18/80, in Henry Villard Business Papers, box 24, folder 210. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>20</sup> T.F. Oakes to Henry Villard, 11/18/80, in Henry Villard Business Papers, box 24, folder 210. Baker Library, Graduate School of Business Administration, Harvard University.



of the OR&NCo in my opinion out of abundant caution to build [our] line and avoid the possibility of any other organization doing so.” In order to explain to Villard the severity of the threat, Oakes had one of Thielsen’s engineers draw up a map to “convey an idea of what Coe et al have in view” (see map 12). Based upon his reckoning, Oakes felt “from August to May, with a portage in operation a great deal of damage could be inflicted upon us.”<sup>21</sup> Evidently, Oakes felt that the OR&N hold on the Columbia was weak enough to demand immediate action, and advised Villard to authorize construction. By making a show of building, Oakes claimed that a weaker competitor would back down, while one with more resources would continue the challenge.

In the event that the Coe challenge was serious, or backed by another corporation, Oakes and Dolph again sought to monopolize as much ground as possible. Instead of laying a straight track, which would have been the least expensive option, Oakes told Villard that “the track will be located on a system of curves that will effectually take up all the ground available for RRd purposes.”<sup>22</sup> Oakes wanted to use the same strategy that Dolph had employed a year earlier when the lawyer sent out an engineer to obtain rights of way over land that would allow access to but one road. This time, Oakes intended to make the Coe road cross the actual OR&N line as many times as he could, hence increasing the appropriation price that a jury would set.

It is clear that both organizations understood the portage lands to be an essential part of any transportation scheme, whether it be a steamship line on the Columbia, a railroad through line to the interior, or even a transcontinental. But their contest was essentially one of interpretation. The little evidence we have from the PRC incorporators suggest that Coe was responding to a popularly held belief that the OSN and the OR&N had manipulated the physical geography—“canyon, pass, or defile”—of the Columbia River to obtain a monopoly that the statutes governing railroad development specifically denied. It is important to understand that within the Pacific Northwest, many residents

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<sup>21</sup> T.F Oakes to Henry Villard, 11/18/80 [“wholly inadequate”], and 11/23/80, in Henry Villard Business Papers, box 24, folder 210. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>22</sup> T.F Oakes to Henry Villard, 11/23/80, in Henry Villard Business Papers, box 24, folder 210. Baker Library, Graduate School of Business Administration, Harvard University.

felt that the Columbia River was one of what Oregon Governor L.F. Grover called “nature’s highways—the God given arteries of commerce,” and therefore should not have been the domain of one single corporate entity.<sup>23</sup> What is less clear is whether or not Coe actually believed that an abandoned portage right of way should be put to use. He probably did believe that another line would be profitable and would bring competition to rate charges along the river. However, he might have intended for the OR&N or some other company to simply purchase his right of way once obtained. Coe acted—either for profit or the good of the region—on the legal right of corporations to challenge monopolies based on physical geography.

At odds with Coe’s interpretation stood the OR&N managers. They too believed in the importance of the portage, and thus directed their full resources to halting Coe’s progress. But the impetus to stop Coe was not purely monetary. Instead, it stemmed from their understanding of the economic geography of the Pacific Northwest, and an abiding belief in beneficent monopoly. As experienced railroad entrepreneurs, the OR&N management fervently believed that Oregon’s young developmental stage could not sustain pure and open competition along the Columbia. They believed, and their experience bore them out, that rate wars in the Pacific Northwest could have disastrous effects, hence Villard’s constant hope for a harmonious union of transportation interest in the region. Writing to a group of grumbling Eastern Washington agriculturalists who complained of Villard’s insatiable appetite for new transportation schemes, Villard wrote that his “sole object of has been to insure a harmonious development ... in the interest of

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<sup>23</sup> “Biennial Message of Gov. L.F. Grover to the Legislative Assembly of the State of Oregon, Eighth Regular Session,” *Journal of the House, Eighth Regular Session, 1874* (Salem, Ore.: State Printer, 1874), pp. 58-59. I will discuss the rural critique at length in chapter 5. For popular criticism of the OSN monopoly see, Randall Mills, *Sternwheelers up Columbia: A Century of Steamboating in the Oregon Country*. (Palo Alto, Calif.: Pacific Books, 1947), chapter 11; and Dorothy O. Johansen, “Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company” (Ph.D. Thesis, University of Washington, 1941). On populism in the Pacific Northwest see Thomas W. Riddle, *Old Radicalism: John R. Rogers and the Populist Movement in Washington* (New York: Garland, 1991); Thomas W. Riddle, “Populism in the Palouse: Old Ideals and New Realities,” *Pacific Northwest Quarterly* 65, no. 3 (1974): 97-109; and Margaret Kolb Holden, “The Rise and Fall of Oregon Populism: Legal Theory, Political Culture and Public Policy, 1868–1895” (Ph.D., University of Virginia, 1993).

the whole country.”<sup>24</sup> Some of this was merely rhetoric in an attempt to placate the Populist critiques coming from the interior. But Villard also used this idea of harmony when corresponding to his managers. Villard told Thielsen that “in the event the various but often conflicting interests of the different companies that had possession of [the Oregon transportation trade] could be combined into one harmonious whole, it would redound to the mutual benefit of the new combinations as well as to the people scattered over this immense territory.”<sup>25</sup> Granted this goal of a harmonious union took the place of a very profitable monopoly along the river, but we cannot reduce Villard’s view, nor that of his OR&N managers solely to material gain, for the concept of harmony played a large role in the creation and completion of the OR&N.<sup>26</sup>

Against this backdrop of harmony the OR&N managers interpreted the Cascade portages and Coe’s scheme. To them, they had a legislated right “authorized by a special act of Congress ... to construct the portage lines” and therefore possessed “vested rights which cannot be impaired.”<sup>27</sup> Any attack on that right was purely an attempt to squeeze capital out the company’s ample construction funds. Similar to the OSN directors a generation earlier, Dolph, described Coe’s attack as a “blackmailing scheme.”<sup>28</sup> Oakes agreed and called Coe a “professional blackmailer,” and from that moment on never referred to the PRC challenge as anything but a illegitimate challenge.<sup>29</sup> Implicit in the term blackmail was the OR&N belief that any challenge would disrupt the company’s

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<sup>24</sup> Open letter from Henry Villard, dated 4/18/81, in *The New Northwest*, June 1881, in Henry Villard Business Papers, box 25, folder 226. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>25</sup> Henry Thielsen to Henry Villard, 10/2/79, in Henry Villard Business Papers, box 22, folder 181. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>26</sup> For a further discussion of Villard’s attempts to bring all Oregon transportation interests into one concern see James B. Hedges, *Henry Villard and the Railways of the Northwest* (New Haven: Yale University Press, 1930). Describing Villard’s intentions while completing the NPRR line, Hedges, called Villard “the man who had harmonized the relations of the [Northern Pacific] with the other transportation interests in the Pacific Northwest; the man who, while pursuing monopolistic ends, had more nearly adjusted the conflicting ambitions of the more important commercial communities of the Northwest coast than had anyone else,” p. 111.

<sup>27</sup> Henry Villard to William Lloyd Garrison, Jr., 6/25/79, in Henry Villard Business Papers, vol. 33. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>28</sup> J.N. Dolph to Henry Villard, 10/29/79; in Henry Villard Business Papers, box 89, folder 652. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>29</sup> T.F. Oakes to Henry Villard, 11/18/80, in Henry Villard Business Papers, box 24, folder 210. Baker Library, Graduate School of Business Administration, Harvard University.

success in the Pacific Northwest, and therefore impair overall development in the region. Coe initiated his scheme in the belief that the law interpreted Columbia geography as being able to sustain competition. The OR&N management, however, believed that one road would bring prosperity to the Inland Empire, while two would simply destroy each other and leave the interior bereft of any transportation connection at all.

In the middle of this interpretive battle over the landscape stood the federal government, who in 1878, had instituted condemnation proceedings against the OSN for a canal and locks at the Cascades. The OR&N correspondence is all but silent about the condemnation proceedings. We can only infer that the managers felt no immediate threat posed by the slow moving Army Corps of Engineers, who had not even begun grubbing or clearing work along the river. The PRC, however, recognized another property owner at the Cascades. Less than ten days after Coe had incorporated, Oakes informed Villard that “my arrangements to thwart them by occupying the ground have been such they now contemplate applying to Sect of War for right of way across gov’t canal reservation.”<sup>30</sup> If the PRC could not easily condemn land on the OR&N right of way, they might be able to obtain land from the federal government.

The OR&N turned to its council in Washington D.C., former Oregon senator John H. Mitchell to keep the PRC from successfully appealing to the federal government. The Senator told Villard that Coe’s application to the War department would not be enough to obtain a right of way on the canal reservation because of the peculiar nature of the government’s right of way at the Cascades. When the government obtained a right for the canal, they went through the state of Oregon to institute condemnation proceedings. According to Mitchell, the state only granted the government a right of way for a canal, not a right in fee simple. “Government has no reservation but only right of way for canal obtained from use [by] state condemnation,” Villard told Oakes in late November 1880, “Mitchell says condemnation being for particular purpose government could not give

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<sup>30</sup> T.F. Oakes to Henry Villard, 11/24/80, in Henry Villard Business Papers, box 24, folder 211. Baker Library, Graduate School of Business Administration, Harvard University.

right of way without consent.”<sup>31</sup> Because the Army obtained the right of way through the Oregon courts, that right of way was limited by the laws surrounding transportation concerns. Oregon law forbid corporations from deviating from their expressed course of action, unless “for the purpose of avoiding the annoyances to public travel or dangerous or deficient curves or grades or unsafe or unsubstantial grounds or foundation or for other like reasonable causes.”<sup>32</sup> The law demanded that rights of way to transportation companies be limited by the expressed intention of the company at the time of filing. The OR&N management believed that congressional action would be necessary to change the specificity of the grant obtained by the Army. Still, Oakes wanted the Secretary of War to issue a statement in favor of the OR&N, in case Coe’s threat made it to Congress. Villard agreed and sent H. White to lobby the War department to deny Coe’s application. “We have strong friends in War Dept.” Villard told Oakes.<sup>33</sup>

The federal threat being shut off, Coe turned to the courts, and filed proceedings to condemn parts of the OR&N portage land on the Oregon side of the river. At the same time, however, he turned to more friendly shores: Coe had filed supplemental articles of incorporation granting him power to build a portage road on the north bank as well, and then had submitted those articles to the Territorial secretary of Washington. Immediately after, he went to the Skamania county courts on the Washington side of the river and instituted a right of way condemnation proceeding over the OR&N lands on the north bank. Coe aimed to use the two suits in conjunction, stressing the OR&N’s dual portage ownership—one portage in use on the north bank and one abandoned portage on the south bank. Coe had also included the Farmers Loan and Trust Company of New York, the bank that held the OR&N mortgage, in the condemnation suit.<sup>34</sup>

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<sup>31</sup> Henry Villard to T.F. Oakes, 11/30/80, in Henry Villard Business Papers, vol. 42. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>32</sup> “An act providing for private incorporations and the appropriation of private property therefore,” 14 October 1862. In State of Oregon, *Organic and Other General Laws of Oregon: Together with the National Constitution, and Other Public Acts and Statutes of the United States. 1843–1872* (Salem, Oregon: Eugene Semple, State Printer, 1874), p. 530.

<sup>33</sup> Henry Villard to T.F. Oakes, 11/30/80, in Henry Villard Business Papers, vol. 42. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>34</sup> J.N. Dolph to Henry Villard, 1/28/81, 2/4/81, in Henry Villard Business Papers, box 90, folders 664, 665. Baker Library, Graduate School of Business Administration, Harvard University.

By March, Dolph was in court protecting the company's interests. Matters for both the north and south bank of the river favored the OR&N. On the Oregon side, Dolph wanted to stall the case so that the OR&N could begin to actually build their line along the river, thus making any condemnation more expensive for the application. "Fortune has favored us so far," Dolph wrote Villard, "as Judge Strong, the attorney for the Portage Railroad Company [sic], as usual made a blunder in his publication of summons against the Farmers Loan and Trust Company and as a consequence has not got that company yet in court."<sup>35</sup> Strong tried to drop the mortgage bank from the proceedings, but Dolph resisted his application to do so. As the court term came to a close, the case became mired in dispute and never reached a judge.

Dolph was less optimistic about the proceedings on the Washington Territory side, and told Villard that "there is no doubt that the Portage Railroad Company [sic] if they persist in the matter will be able to force a right of way on one or both sides of the river." Nevertheless, he also hoped to delay "worry them sometime before they get a final judgment of condemnation" in Skamania, where he called Strong's summons "insufficient."<sup>36</sup> The Territorial proceedings were slightly different. A Justice of the Peace presided over condemnation suits, and appointed three affected landholders to assess damages, and then publish those assessments. The party filing for condemnation could then pay the claims and obtain immediate right to the land, but would also have to file a copy of the appraisal with the District Court. Should one of the landholders object to the assessment, he or she could file a complaint with the District Court, and the case would go to a trial. After filing for condemnation, Strong managed to convince the Justice of the Peace to issue summons to landholders that Dolph claimed were "all unfriendly to the company."<sup>37</sup> Once the landholders had assessed value, Dolph filed a complaint with the District Court objecting to the appraisal.

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<sup>35</sup> J.N. Dolph to Henry Villard, 3/23/81, in Henry Villard Business Papers, box 90, folders 666. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>36</sup> J.N. Dolph to Henry Villard, 3/15/81, in Henry Villard Business Papers, box 90, folders 666. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>37</sup> J.N. Dolph to Henry Villard, 5/11/81, in Henry Villard Business Papers, box 90, folders 668. Baker Library, Graduate School of Business Administration, Harvard University.

There was another aspect of Coe's attempts in Washington which favored the OR&N: when the PRC filed for lands on the Oregon side, they had provided the court and the company with a very precise description of the location of their proposed road. In Washington Territory, however, Coe and Strong had been rushed and supplied the court with "a description of the lands sought to be appropriated" that Dolph thought was "also very imperfect."<sup>38</sup> The lawyer used the PRC's lack of specificity to stall the suite once more. Dolph argued that the OR&N was building its Oregon road, or at least showing significant progress toward that end, and thus two separate services—railroad and steamship—were in operation along the river. Furthermore, he also used the ongoing construction of the government canal and locks to make Coe's scheme appear superfluous. Dolph used all of these arguments together in injunction suits that completely shut down Coe's hopes on both the Oregon and Washington side of the river. He so effectively stalled the PRC, that Coe and Strong soon dropped their demands for condemnation on both sides of the river.

The Cascade portage dispute illustrates the different ways in which corporations used state power to produce space. The OR&N used the General land office, state legislatures, Congress, and the courts, to codify their specific geographic interpretation in an attempt to monopolize resources and protect their own interests. By focusing our attention on the close relationship between corporations and the state, we can see how railroads established property rights. Engineers in the field conducted surveys and drew maps to create the geographical information that became the very basis for a road's property rights. The OR&N built a foundation of ownership over a landscape without incurring the cost associated with the actual construction of their road by engaging the legal structure created by the federal and state governments. Indeed, when the state legislature, the General Land Office, and the court approved the OR&N articles of incorporation, rights of way, and maps of definite location, this paper landscape was as unassailable as steel rails upon the ground. But paper landscapes were more than just a

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<sup>38</sup> J.N. Dolph to Henry Villard, 5/11/81, in Henry Villard Business Papers, box 90, folders 668. Baker Library, Graduate School of Business Administration, Harvard University.

metaphor for the companies aspirations The legal system bestowed upon them power equal to, if not greater than the actual construction of a road. In the end, it was paper, not just wooden ties and steel rails, that produced the monopolistic landscape of the OR&N in the Pacific Northwest.

The very legal structure which provided the OR&N with control to the Cascades, however, also afforded Coe and his fellow incorporators legitimate avenues into the OR&N hegemony. The power that paper bestowed upon railroad corporations was limited. And though the OR&N was successful in stopping Coe, the PRC challenge did have an impact. To Thielsen, Oakes, Dolph, Reed, and Ainsworth the PRC was a serious challenge, even if Villard claimed that the Oregon managers “have been unnecessarily alarmed by the movements of the man Coe.”<sup>39</sup> Villard simply may have been trying to regain authority over his western managers, or he may have been truly ignorant of the very real dangers small competitors presented when contesting larger corporations with ample capital. But Coe’s scheme was an important factor in the OR&N’s decision to give the trunk line along the Columbia priority over any other road. After mounting pressure from the managers who dealt with Coe’s threat, Villard agreed that the sooner his company built its road along the river, the sooner it could obtain “direct and absolute control on the Columbia.”<sup>40</sup>

Corporate struggles such as these helped determine the OR&N’s construction plan and the ultimate shape, scope, and intent of the road, and challenges from smaller western capitalists helped produce the unique transportation land landscape in the Pacific Northwest. When the OR&N decided to build the trunk line first, the company had to give up some of its more grandiose intentions of building interior lines all along the Columbia and Snake in Oregon and Washington Territory. Unable to fund both feeder lines as well as a trunk line, the OR&N was forced to choose between the two. The

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<sup>39</sup> Henry Villard to J.N. Dolph, 11/14/79, in Henry Villard Business Papers, vol. 34. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>40</sup> Villard told Dolph, “While I was persuaded all along that we should have to provide for such substitution at no distant date, I was not a believer in the immediate urgency of it.” Henry Villard to J.N. Dolph, 11/14/79, in Henry Villard Business Papers, vol. 34. Baker Library, Graduate School of Business Administration, Harvard University.



OR&N management understood that a western railroad's through line depended upon a surplus of freight from the interior, but they simply did not have the capital to fund both. Building the trunk line did have some positive consequences, however. Should any other corporation wish to build a road along the river, they would have to use the OR&N to ship construction materials, either by river or rail. Not only would the company benefit from the upriver receipts of construction supplies, but by the time the challenger had finished, they would be in a good position to institute a rate war. Villard came to believe that the OR&N trunk line on the south bank "will make things easier for us all around, and will enable us to come to satisfactory terms" with other challengers.<sup>41</sup> The OR&N came to believe that building the trunk line would finally give them control of the Columbia highway.

### **Creating Capitalist Space: The role of Geography in Corporate Negotiations**

State and federal legislation made the OR&N susceptible to the attacks of smaller, entrepreneurs from Oregon and Washington Territory, but it also placed Villard's scheme squarely in the sights of a considerably larger, well capitalized, and well established corporation: the Northern Pacific. With a congressional charter directing the line to run specifically to Puget Sound via the Columbia Valley as well as across the Cascades, backed by the promise of over 50 million acres the threat of the Northern Pacific was even more dangerous, and the geographical component of the struggles in the East became even more pronounced. Not long after Villard secured funding for his ambitious OR&N scheme Thielsen warned Villard of the NPRR threat. The road had been dormant for over a decade, but, Thielsen argued, there was movement again in the Northwest.

When Villard had incorporated the OR&N, he intended the line to be a transcontinental connection with the Union Pacific, as well as a possible outlet for the financially maligned Northern Pacific. Unfortunately for Villard, by 1880 the perennially plagued northern transcontinental was under the leadership of Frederick Billings. Billings

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<sup>41</sup> Henry Villard to J.N. Dolph, 11/14/79, in Henry Villard Business Papers, vol. 34. Baker Library, Graduate School of Business Administration, Harvard University.

had begun as the NPRR chief land officer, and after having organized the haphazard affairs of the land department, he set his sights on finishing the road. Armed with a enormous land grant, a reorganized mortgage, and new capital, Billings and his officers quickly covered lost ground. By the end of 1879, the NPRR was poised to begin construction on the final western sections of their line to the Pacific, a line which would have competed directly with the planned OR&N line.<sup>42</sup> The renewed effort on the part of the NPRR resulted in a series of negotiations between the transcontinental and the Villard enterprises. Before we learn about that contest, however, we need to understand the geographical advantages and disadvantages each road brought to the negotiations.

Because corporate negotiators often had only a vague understanding of the landscapes they sought to control, the precious geographic information gleaned from engineering and survey reports, and advice from resident managers was once again important. The legal apparatus which governed railroad expansion was so geographically explicit, that railroad executives like those of the OR&N and the NPRR, came to rely on the geographic knowledge created and transmitted by their western management. But, the negotiations for control of the Columbia River highway took place outside of the Pacific Northwest and were influenced by extra-regional factors as well. We must understand the interaction between the core and periphery if we are understand the contest between these two corporate giants.

Railroad negotiations were an explicit exercise in geography; like political treaties between colonial powers, corporate contests carved up contested territories and created capitalist space.<sup>43</sup> Corporate negotiations created new geographies of trading trails and

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<sup>42</sup> See Eugene V. Smalley, *History of the Northern Pacific Railroad* (New York: G.P. Putnam's, 1883); James B. Hedges, *Henry Villard and the Railways of the Northwest* (New Haven: Yale University Press, 1930), p. 61, Peter J. Lewty, *To the Columbia Gateway: The Oregon Railway and the Northern Pacific, 1879–1884* (Pullman, Wash.: Washington State University Press, 1987), pp. 48–49; and Robin Winks, *Frederick Billings: A Life* (New Haven: Yale University Press, 1991), pp. 208–215; see also Henry Thielsen to Henry Villard, 6/15/79; in Henry Villard Business Papers, box 22, folder 176. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>43</sup> I use the term “capitalist space” in the same way that geographer Daniel Clayton uses “imperial space” when describing the geographical component of the diplomatic debates over Oregon in the early nineteenth-century between the United States and Britain. See Daniel Clayton, “On the colonial genealogy of George Vancouver’s chart of the north-west coast of North America,” *Ecumene* 7, no. 4 (2000): 371–401.

resource development in the Pacific Northwest. When executives signed pooling agreements or running contracts, when they bought other roads and formed holding companies, they manipulated geographic information and implemented a corporate landscape in a region. At no time was this more true than during the struggle for domination between the Northern Pacific and the Oregon Railway & Navigation company.

*Legislating Landscapes: Congress and the Transcontinentals*

Congress had chartered the Northern Pacific Railroad in an attempt to bind the geographically distant northern West with the rest of the nation. The problem of transcontinental communication and connection had hindered Pacific Coast residents since before the days of the Mexican war. In between the market centers of Midwest and East—St. Louis, Chicago, Boston, and New York—and the relatively dense, yet far-flung population centers of the West Coast—San Francisco, in California, and the Willamette Valley, in Oregon—lay the “Great American Desert.” The Great Plains presented a barrier to western development. It was a barrier because, most observers argued, it was a trackless waste that would ever have to be traversed and would most likely never be settled.

The Civil War put these images of the plains into sharp political relief: if the South could undergo rebellion, a region so fully integrated into the American body politic (and economic), what would become of the Far West as the region continued to grow wealthy from trade with a host of empires—China, Russia, and England, as well as the eastern United States. Something had to be done to strengthen the ties between the Pacific and Atlantic Coast states. Fortunately, some Americans argued, technology provided the answer: railroads. With a series of railroads spanning the continent linking the new states and territories of the West with the East, Americans could remain secure in the knowledge that the terrible crisis of Union between North and South would not repeat itself along the lines of the other set of cardinal directions. The only problem was the Great Plains.

The Great Plains presented both a physical and financial barrier to a railroad link between the oceans. Ever since government explorers, private pleasure seekers, and enterprising traders had stepped foot onto the Great Plains, Americans had to deal with a simple fact of Midwestern geography: the plains were dry, and the years that they were wet simply would not last. Although Thomas Jefferson looked eagerly west from Monticello, the “Garden of the West” that he envisioned as the home to so many generations of American yeoman, did not encompass the entire region beyond the Mississippi River. Topographical engineer Maj. Stephen H. Long was probably not the first to draw a less than flattering portrait of the Plains, but his words, printed thousands of times over in official copies of his government survey reports, helped to establish the view that the Great Plains, that portion of the North American Continent beyond the 100<sup>th</sup> meridian, was simply not conducive to farming. Although Long endorsed the plains as good grazing land, he saw it primarily as a barrier between the Pacific Coast and the rest of the nation.<sup>44</sup> Long’s portrayal was echoed by numerous Americans. Nearly 35 years later, another topographical engineer, Lt. G.K. Warren called the Great Plains “incapable of agriculture,” although he did add that irrigation might render it useful.<sup>45</sup> The desert, these arguments went, would hardly be populated, thus forcing whatever railroad link to travel through unprofitable country. An anonymous author summed up one the view of the Great American Desert and the railroad: “Our possessions west of the 99<sup>th</sup> meridian have turned out to be worthless, so far as agriculture is concerned. ... They can never entice a rural population to inhabit them, nor sustain one if so enticed.” Any railroad across the continent “must wind the greater part of its length through a country destined to remain forever an uninhabited dreary waste.”<sup>46</sup>

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<sup>44</sup> See Edwin James, *Account of an expedition from Pittsburgh to the Rocky mountains*, performed in the years 1819 and '20, by order of the Hon. J.C. Calhoun, sec'y of war: under the command of Major Stephen H. Long (Philadelphia: H.C. Carey and I. Lea, 1822). For a full account of Long’s expeditions, see William H. Goetzmann, *Exploration and Empire: The Explorer and the Scientist in the Winning of the American West* (New York: Alfred A. Knopf, 1966), pp. 58-62.

<sup>45</sup> Gouverneur K. Warren, “Exploration of the Country Between the Missouri and the Platte,” *North American Review* CLXXX (July 1858), p. 68.

<sup>46</sup> “The Pacific Railroad,” *North American Review* CLXX (January 1856), pp. 214, 235-236, quoted in Robert G. Athearn, *Union Pacific Country* (Chicago: Rand McNally, 1971), p. 22.

The plains were hardly an attractive field to investors, even if the golden land of California and the Edenic Garden of Oregon lay beyond them. So Americans could not depend on private investment alone to undertake the giant task of a transcontinental. Similarly, the chances of the government undertaking the whole operation were slim, although such a line would benefit the country. During an era when the limits of federal power were routinely questioned, it was doubtful that the government in Washington would be able to build a road at such a large expense that would by-pass so much of the country. After all, the road could not go through all states nor all sections of the nation. At the same time, its immense cost meant that surely the individual states could not prosecute the scheme. What was needed was encouragement.

Precedents did exist for government encouragement of ambitious transportation projects, especially in the West. As historian Robert Athearn notes, The Cumberland Road to the headwaters of the Ohio River was built with significant government aid, as was the Nation Road to the Mississippi River. The canals in the Old Northwest were likewise made possible by government assistance.<sup>47</sup>

Politicians in favor of the road worked hard to see it become a reality, despite the vastness of the plains. Expansionist minded congressmen, never ones to shrink in the face of geographic reality, simply ignored the dry climate of the plains when arguing for a transcontinental railroad. Leading the charge was Sen. Thomas Hart Benton, the fiery expansionist Democrat from Missouri. Benton was armed with the reports and narratives of his son-in-law, the famed explorer John C. Frémont, who leaned toward the West-as-Garden side of the debate. Benton argued that the valley of the Kansas river was a bucolic paradise teeming with wildlife, fed by cool, crystalline streams, under which lay immense veins of mineral ore. But most importantly, Benton labeled the plains an immense grain belt, in his words, “where Frémont says—and he has a right to know—a continuous cornfield 200 miles in length might be made, so rich and level is the country.”<sup>48</sup> In short, it was perfect. Americans only needed to build a railroad and

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<sup>47</sup> Robert G. Athearn, *Union Pacific Country* (Chicago: Rand McNally, 1971), p. 28

<sup>48</sup> Speech of Senator Thomas Hart Benton to Congress, January 1855, quoted in John C. Van Tramp, *Prairie and Rocky Mountain adventures; or, Life in the West. To which will be added a view of the states*

“emigrants of our America would flock upon [the plains] as pigeons to their roosts, tear open the bosom of the virgin soil, and spring into existence the long line of farms and houses, of towns and villages” that would necessarily follow such an important venture.<sup>49</sup>

One thing both garden and desert enthusiasts could agree on, without government action, there would be no road. In the late 1850s, Congress began to seriously debate the possibility of sponsoring a transcontinental railroad. Senators and representatives alike agreed on the necessity of government action. Georgia Senator Alfred Iverson asked :what shrewd, intelligent Yankee will ever invest his money, his labor, or his time in such an undertaking?”<sup>50</sup> Representative James Campbell of Pennsylvania, chairman of the House committee which reported favorably on the first Pacific railway bill in 1862, echoed the desert-minded politicians, but used their words as an argument in favor of government subsidies for a railway. He told his fellow congressmen that a transcontinental road would pass through “almost impassable mountains, deep ravines, cañons, gulfs, and over sandy plains.” Clearly, Campbell argued, Congress could not “apply ordinary rules concerning roads in the Western States to this great enterprise.”<sup>51</sup> Ironically then, the first transcontinental railroad bill which authorized the Central Pacific and Union Pacific to built a joint line across the middle of the continent, owed its existence in large part to Congress’s negative vision of the American West, the very lands through which the railroad was supposed to run.<sup>52</sup>

The Pacific Railway act of 1862 which established the Central Pacific and Union Pacific assured congressmen that a government sponsored, privately incorporated, transcontinental railway was indeed a constitutional possibility. Such a project was, of

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*and territorial regions of our western empire: embracing history, statistics and geography, and descriptions of the chief cities of the West* (Columbus, O.: Published by Segner & Condit, 1869), p. 278.

<sup>49</sup> Speech of Senator Thomas Hart Benton to Congress, January 1855, quoted in John C. Van Tramp, *Prairie and Rocky Mountain adventures; or, Life in the West. To which will be added a view of the states and territorial regions of our western empire: embracing history, statistics and geography, and descriptions of the chief cities of the West* (Columbus, O.: Published by Segner & Condit, 1869), p. 300-01.

<sup>50</sup> *Congressional Globe*, 35th Cong., 1st sess., p. 1582.

<sup>51</sup> Rep. James Campbell, quoted in Henry V. Poor, “The Pacific Railroad,” *North American Review* CXXVII (June 1879), p. 667.

<sup>52</sup> For a detailed description of the Pacific Railway Act of 1862, authorizing the land grant for the first transcontinental, see Robert G. Athearn, *Union Pacific Country* (Chicago: Rand McNally, 1971), pp. 28–30.

course, a profitable venture for whatever region it passed through, however. Thus, any further transcontinental would be subject to the whims of the sectionalism inherent in the U.S. Congress. Fortunately for the residents of the Pacific Northwest and the far northern states and territories, southern secession effectively removed a staunch body of opposition to further federal encouragement of the northern economy.

Serious lobbying for a transcontinental route to the Pacific Northwest began with Josiah Perham, an energetic booster from Portland, Maine. Perham had been lobbying for a “People’s Pacific” railway from Missouri to San Francisco since before Congress chartered the first transcontinental. After the Pacific Railway act, he turned his sights northward, and began to argue for government subsidies for a road to the Pacific Northwest. Perham had read Isaac I. Stevens’s pacific railroad report. Stevens was a government explorer, topographical engineer, and Territorial Governor of Washington. In 1853, he oversaw the survey of a possible transcontinental line to Puget Sound, one of five surveys authorized by Congress.<sup>53</sup> Stevens wildly praised his “northern route,” why shouldn’t he have, he was the Territorial governor of Washington, the location of the terminus! William H. Goetzmann notes that Steven’s claimed that the winter snows of the northern route would not be “the slightest impediment” the trains, and that the region “far surpassed” Russia in grain cultivation.<sup>54</sup>

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<sup>53</sup> In an effort to appease all sections of the country, Congress had authorized surveys of five possible routes to ascertain the best possible route for a transcontinental. They were the northern route between the 47<sup>th</sup> and 49<sup>th</sup> parallel that Stevens led; a second survey between the 37<sup>th</sup> and 39<sup>th</sup> parallels; a third that followed the 35<sup>th</sup> parallel from Fort Smith Arkansas to Albuquerque and then on to California; a fourth through the Tulare and San Joaquin Valleys in California to connect with the 35<sup>th</sup> parallel route; and then another connection to the San Joaquin along the 32<sup>nd</sup> parallel across Texas, along the Gila River, and through the Gadsden purchase. For a comprehensive treatment of the Pacific railroad surveys, see William H. Goetzmann, *Exploration and Empire: The Explorer and the Scientist in the Winning of the American West* (New York: Alfred A. Knopf, 1966), ch. VIII.

<sup>54</sup> Isaac I. Stevens, “Narrative and Final Report of Explorations for a Route for a Pacific Railroad near the Forty-Seventh and Forty Ninth Parallels of North Latitude from St. Paul to Puget Sound,” *Reports of Explorations and Surveys to Ascertain the Most Practicable and Economic Route for a Railroad from the Mississippi River to the Pacific Ocean*, vol. XXII (Washington, D.C.: A.O.P Nicholson, Printer, 1855-60), quoted in William H. Goetzmann, *Exploration and Empire: The Explorer and the Scientist in the Winning of the American West* (New York: Alfred A. Knopf, 1966), pp. 285-86. Stevens’s hyperbole was countered by a complimentary report from Frederick West Lander who surveyed a route from Puget Sound to the South Pass, which was included in the final report.

Spurred on by positive descriptions of both the landscape and the feasibility of the route from Stevens's surveying reports, Perham went to Congress with a charter from the Maine legislature. He introduced himself to Republican Congressman Thaddeus Stevens, the highest ranking member on the Pacific Railroad Committee, and lobbied for a congressional grant for his Maine-chartered road. Stevens backed the route, but not Perham's charter. He insisted that Congress re-charter the road so as to make the project, national in scope and national in character. The Pacific Railroad Committee then reported favorably on a bill to charter a road, called the Northern Pacific Railroad, from some point on Lake Superior to some point on Puget Sound. Stevens's committee suggested a land grant of immense size—for each mile of road completed, the new company would receive 20 square miles of land in the established states and 40 square miles in the territories.

An investigation of the debates over the bill demonstrates how the Congressmen understood the region through which the road was to run. Using language similar to that which justified subsidies for central route, Stevens noted that value of the Northern Pacific land grant was currently worth nothing because of its isolation. "I hardly expected that when a company asks a grant of lands that are now worthless," Stevens argued, "there should be any objection at all to it."<sup>55</sup> The land was quite rich and fertile, Stevens claimed, settlers and emigrants refused to live there unless they had some connection to the rest of the nation. Its market value was negligible, Stevens contended, and therefore the land was worthless to even the government who could never sell it for revenue.

Congressmen in support of the land grant turned to Isaac Stevens railroad reports for arguments in favor of the route. Representative Lorenzo Sweat of Maine, specifically referenced Isaac Stevens, who had died two years earlier on the battlefield at Chantilly. "Had he lived till this time," Sweat said, "he would have rejoiced ... in this ... unanimous report of your committee [on Pacific Railroads] in aid of his favorite northern route. ... His mind, remarkable for its quickness and vigor of action, comprehended from the first, not only the importance in a commercial view of opening a communication to the Pacific

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<sup>55</sup> *Congressional Globe*, 38th Cong., 1st sess., p. 1699.



Ocean by railway, but upon the broader ground of developing the untold resources and wealth of that vast, unsettled, and almost unknown territory without our borders.”<sup>56</sup> Sweat went on to note Stevens’s arguments in favor of the route:

“Thus,” as Mr. Stevens says, “every seat of commerce on the coast is nearer to Puget sound [sic] by the Northern route than to the waters of San Francisco by the Central route.” In relation to obstructions from the snow and severity of the climate ... I will quote from the reports of Stevens and Mullan, and trust it will be sufficient to remove any further doubt. Mr. Stevens says: “the passes of the Rocky mountains, Hell Gate, Northern Little Blackfoot, and Cadotte’s pass were crossed by my parties in the months of December, January, February, and March ... and in no one of these passes did they find more than fifteen inches of snow.” Again he says: “I will now consider the question of the cold. It is alleged that the weather is so cold on the route of the forty-seventh parallel that it will be impracticable to work men in the construction of the road for a large portion of the year, and it will be impracticable to run cars for many days in the winter. Unfortunately for these opinions, we happen to have observations on these points [that contradict them] and to have great lines of railroad in operation over tracts of country as cold and colder than the [Northern] route”<sup>57</sup>

The fact that the Northwest was “unknown” meant that the reports from men like Stevens had great weight. Stevens assured his readers that the region was fertile, the route short, and the climate conducive to both railroading and farming. Congressmen such as Sweat used their reports as a base for their subsequent legislation dealing with that landscape.

Two days shy of the fourth of July, 1864, President Abraham Lincoln signed the law which chartered the Northern Pacific Railroad. It directed the company to “lay out, locate, construct, furnish, maintain, and enjoy a continuous railroad and telegraph line, with the appurtenances, namely, beginning at a point on Lake Superior, in the state of Minnesota or Wisconsin; thence westerly ... on a line north of the forty-fifth degree of latitude to some point on Puget’s Sound, with a branch, via the valley of the Columbia River, to a point at or near Portland, in the state of Oregon.”<sup>58</sup> Later, the legislature switched the main and branch lines. Portland, thanks to the efforts of the OSN had vaulted from one tiny hamlet among many along the Willamette River to the premier commercial center of the Northwest. By the time that Jay Cooke agreed to dispose of the

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<sup>56</sup> *Congressional Globe*, 38th Cong., 1st sess., p. 1699.

<sup>57</sup> *Congressional Globe*, 38th Cong., 1st sess., p. 1700.

<sup>58</sup> 13 Stat., 365 “An act Granting lands to aid in the construction of a railroad and telegraph line from Lake Superior to Puget’s Sound, on the Pacific coast by the Northern Route,” 2 July 1864.

NPRR bonds, the western management were determined to give the Columbia Valley line priority for a number of reasons. Building the Portland line first would decrease the cost of construction by avoiding expensive grades over and through the Cascade Mountains, as well as allow the road to use the river to ferry construction materials. Finally Edwin F. Johnson, chief engineer of the road, felt that the Portland line was a necessity “to accommodate the business of the that section [Portland] and facilitate access to and the speedy sale and settlement of the company’s lands.”<sup>59</sup> After urging by NPRR officials, Congress authorized the company to build a line from Portland to the Sound and then labeled the line down the Columbia Valley to Portland as the road’s main line. The route across the Cascades became the branch.<sup>60</sup>

The road’s congressional charter was nonetheless incredibly vague. In effect it gave the Northern Pacific a *carte blanche* to build anywhere and with priority over all other lines, anywhere in the Northwest. At the time it was chartered though, there were so few lines in the region, and the first transcontinental to San Francisco had hardly been started, that the legislature felt it needed to be give the road some flexibility. As Representative Sweat said during the debates over the road, “for very obvious reasons it was determined by your committee not to specify in the bill the precise starting point ... or the place of termination on Puget Sound.” The committee that worked up the bill felt that “to fix these irrevocably by action of Congress would place it in the power of speculators to purchase all the land adjacent, and, by an exorbitant price for them, subject the corporation to unjust and heavy burdens in the commencement of their undertaking.” In addition, the landscape of the road was simply too unknown to provide any more specificity. Stevens’s report had been a good preliminary effort, the committee argued, but it was intended to publicize the many different possibilities for a road. It was not an a

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<sup>59</sup> Eugene V. Smalley, *History of the Northern Pacific Railroad* (New York: G.P. Putnam's, 1883), pp. 152-53.

<sup>60</sup> See 16 Stat., 378 “A resolution authorizing the Northern Pacific Railroad Company to issue bonds for the construction of its road and to secure the same by mortgage and for other purposes,” 31 May 1870; and 16 Stat., 57 “Joint resolution granting right of way for the construction of a railroad from a point at or near Portland Oregon to a appoint west of the Cascades Mountains in Washington Territory,” 10 April 1869.

survey for a specific road. Hence, Sweat maintained, “the localities through which the road will pass ... are also left for future determination after accurate surveys.”<sup>61</sup>

The subsidies that Congress granted the road were not as good as those given to the UPRR/CPRR joint project. Congress refused to guarantee mortgage bonds as they had for the Central Pacific and Union Pacific in their joint effort to cross the continent. Instead the legislature used the immense amount of public domain in the northern states and territories to lure investors to the road. The charter stated that the NPRR would enjoy “the right of way through the public lands ... and the right ... to take from the public lands adjacent to the line of said road, materials of earth, stone, timber, and so forth, or the construction thereof ... to the extent of two hundred feet in width on each side.” In addition, the government promised to “extinguish, as rapidly as may be consistent with public policy and the welfare of the said Indians, the Indian titles to all lands falling under the operation of this act, and acquire in the donation to the [road] named in this bill.” Most importantly, the NPRR charter granted the new corporation “every alternate section of public land, not mineral, designated by odd numbers, to the amount of 20 alternate sections per mile, on each side of said railroad line as said company may adopt, through the territories of the United States, and 10 alternate sections of land per mile on each side of said railroad whenever it passes through any state.” The NPRR land grant was the largest such grant ever in the nation’s history, 20 to 40 square miles of land, in fee simple, for every mile it completed. The total acreage was in excess of some 57,000,000 acres, by its own account, a piece of property greater than the size of New England.<sup>62</sup>

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<sup>61</sup> *Congressional Globe*, 38th Cong., 1st sess., p. 1699.

<sup>62</sup> “The Northern Pacific Railroad’s Land Grant and the Future Business of the Road,” (Philadelphia: Jay Cooke & Co., 1870), quoted in Ross Ralph Cotroneo, *The History of the Northern Pacific Land Grant, 1900–1952* (New York: Arno Press, 1979), p. 39. See also “Report on the quantity and value of public lands granted by Congress to aid in the construction of the Pacific railroads,” in *Congressional Record*, 46<sup>th</sup> Cong. 3<sup>rd</sup> sess., p. 1309. The Northern Pacific Land Grant is discussed extensively in a round table discussion printed in Vernon Carstensen, ed., *The Public Lands: Studies in the History of the Public Domain* (Madison: University of Wisconsin Press, 1963); see “Robert S. Henry, “The Railroad Land Grant Legend in American History Texts,” pp. 121–144; “Comments on ‘The Railroad Land Grant Legend,” pp. 145–162; and Paul Wallace gates, “The Railroad Land-Grant Legend,” pp. 175–180.

Because the road was created at the behest of Congress and was not just another private railroad venture, and because its geography had a congressional mandate, the rights to the northern transcontinental route were unique. When the Congress chartered roads like the Northern Pacific, it was continuing the time honored process of legislating landscapes, as it had done before in Oregon with the Donation Land Claim act.<sup>63</sup> In the case of the NPRR, Congress declared a rail link to the Northwest a public necessity, and projected a route based upon the Pacific Railroad Surveys.<sup>64</sup> What is important for us is the explicitly geographical nature of the NPRR's congressional charter, for it was by act of Congress that the road was obliged, not just authorized, to build along the Columbia River. Therefore the NPRR rights, in theory, took precedence over all other railroad schemes. In a sense, even before the road employed a single surveyor, it already owned the property rights to and along its route. The NPRR need only to lay the rails and their empire would be complete.

#### *The NPRR Threat and Negotiations*

The real power in the NPRR threat lay in their intention to build both across the Cascades to Puget Sound, as well as down the Columbia. The NPRR's legal ability to build two lines to tidewater worried OR&N executives. The OR&N believed that if the NPRR completed the line over the Cascades, the relative ease of ocean navigation from Puget Sound, compared with the difficulties of the Columbia River, would allow the transcontinental to charge lower freight rates than the OR&N. The NPRR could siphon off local freight from the Columbia highway and ship it directly from Tacoma, and cause the OR&N's Columbia trunk to wither. Eventually this power would make the NPRR

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<sup>63</sup> In 1850, Congress finally passed the Oregon Donation Land Claim act which granted 320 acres for every white male emigrant who arrived before December 1850 and 320 more in the name of his wife if he were married. The law upheld Oregon's provisional government's promise of free land to emigrants, but reduced the donation by 1/2 for those emigrating between December 1850 and December 1853. In 1853, Congress extended the deadline to 1855. See Dorothy O. Johansen, "Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company" (Ph.D. Thesis, University of Washington, 1941), pp. 290–292.

<sup>64</sup> For a comprehensive treatment of the Pacific railroad surveys, see William H. Goetzmann, *Exploration and Empire: The Explorer and the Scientist in the Winning of the American West* (New York: Alfred A. Knopf, 1966), ch. VIII.

financially strong enough to wage a rate war with the OR&N along the Columbia, destroying the Villard enterprises.

The NPRR charter gave the road a monopoly in theory, but the OR&N had acquired a monopoly in practice—the Columbia River trading trail, a prize which the management was loath to share. When Villard bought the OSN, he had literally purchased the OSN’s hard-fought monopolistic practices, specifically the ownership of the Columbia River. The OSN charter granted the corporation the right to construct and use “all necessary rail or plank or clay roads and bridges at any of the Portages of the said Columbia, Snake and Willamette Rivers, or to purchase, own and use any such roads that may be constructed, or are now constructed, or may be in course of construction, and to collect such tolls, fare or freight on all roads.”<sup>65</sup> These included the charters for the Cascade Railroad Company—the old Bradford Portage in Washington Territory—as well as the Oregon Portage Railroad—Ruckel’s road on the south bank of the river. In addition to the corporate charters owned by Reed, Ainsworth, and Thompson, the OSN property rights at the portages purchased in 1862, also transferred to the OR&N when Villard purchased the Oregon company.<sup>66</sup>

The OR&N had also inherited Reed and Ainsworth, the OSN management. These men had spent their careers jealously guarding their control over the Columbia River, and now, as high ranking executives in the OR&N, they brought with them their experience and knowledge of controlling the Columbia River. Both had been associated with the NPRR road when Jay Cook became its financial agent seven years earlier, and they still had a working relationship with the NPRR management. Ainsworth was still officially a western director. During the negotiations, when the principle negotiators, Billings and Villard were deadlocked, Reed and Ainsworth acted as intermediaries, passing knowledge and suggestions between the two stubborn executives, helping to ease the

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<sup>65</sup> “Oregon Steam Navigation Company, Articles of Incorporation and By-Laws of the Oregon Steam Navigation Company” (Portland: A.G. Walling, Steam Printer and Bookbinder, 1879), in Henry Villard Business Papers, box 26, folder 243. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>66</sup> See chapter 2. See also Dorothy O. Johansen, “Capitalism on the Far-Western Frontier: The Oregon Steam Navigation Company” (Ph.D. Thesis, University of Washington, 1941).

often hostile atmosphere that surrounded the negotiations. Thus armed with property rights, an aggressive and knowledgeable management, as well as a working line that brought in 12% earnings on the company's \$5,000,000 capital stock, the OR&N management set out to secure their empire against the Northern Pacific challenge.<sup>67</sup>

As we saw in chapter 3, Henry Thielsen was the first to be concerned about the Northern Pacific threat, and took steps to secure the company's routes along the river. Thielsen filed maps of definite location along the river, and along with the other resident managers in Oregon, convinced Villard of the necessity of building the main line along the Columbia before any of Villard's intended branch lines. Still, these steps could not fully secure the OR&N route, for the Congressional *raison d'être* of the Northern Pacific was a trunk line down the Columbia to Portland. Dolph and Thielsen both worried that without explicit NPRR authorization, their Columbia line would be a violation of the NPRR charter.<sup>68</sup> In addition, both the OR&N and NPRR managers were concerned that overlapping lines would ruin the profitability of the Columbia highway, and the only way to avoid what they understood to be an inevitable contest, was a pooling arrangement.<sup>69</sup>

In December 1879, Villard and Reed began negotiations with the NPRR in New York. C.B. Wright and Col. Joseph J. Potts represented the Northern Pacific, and reported directly, and often, to Billings. Wright had been a longtime director of the road, but had taken a reduced role after Billings had become president. He was still an important figure in the negotiations, for he was closest to Reed and Ainsworth, and the three often acted to facilitate the negotiations when more stubborn elements found themselves in a stalemate.

Villard and Reed met with the NPRR negotiators and submitted an initial proposition which was geographically very specific. The OR&N proposed to act as a construction company for the Northern Pacific and build the NPRR line on the north bank of the Columbia from Wallula to The Dalles, which the NPRR would own and both

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<sup>67</sup> Finally, the NPRR needed the OR&N facilities along the Columbia to build their Pend Oreille route. The NPRR had to ship construction materials from the tidewater to the interior—they would no doubt be brought around the horn or purchased in San Francisco. Villard, *Memoirs*, vol. II, p. 287.

<sup>68</sup> See J.N. Dolph to Henry Villard, 3/4/80, 6/8/80, 6/12/80, in Henry Villard Business Papers, box 89, folder 656, 657. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>69</sup> See C.B. Wright to Reed, 5/12/80, in Reed Letterbooks, vol. 11. Special Collections, Reed College.

companies would use. In doing so, the OR&N would abandon its proposed line on the south bank from The Dalles to Wallula, choosing instead to use the joint line on the north bank. After the OR&N completed the Wallula-Dalles line the company would transfer ownership to the NPRR, in exchange for NPRR bonds, and the NPRR would grant the OR&N “perpetual running powers over or a so-called joint use of the constructed line.”<sup>70</sup> Villard and Reed asked the NPRR for an official sanction to complete the OR&N south bank line below The Dalles, which would be a jointly used line owned by the OR&N.

Although this appears to be a liberal gesture on the part of the OR&N negotiators, Reed knew from experience as well as his correspondence with Thielsen, that the north bank below The Dalles was the most difficult stretch of the river upon which to build a line; and completion of the line to Portland would have been so expensive as to prohibit the NPRR from building any line there in the near future. By building the NPRR line to The Dalles only, the OR&N was still in charge of the river to Portland—the outlet to the tidewater. The agreement also maintained OR&N ownership of the precious portages which allowed them to dictate terms to the NPRR until the latter road completed a line to the sound or to Portland.

Villard and Reed’s willingness to build the line for the NPRR and abandon the OR&N ownership of the road, was also dictated by the NPRR land grant policies, for the NPRR would not obtain title to land under their grant adjacent to a leased line. The transcontinental needed to own and operate their own road. The OR&N negotiators knew that the NPRR officers would not abandon any of their land grant (except the agriculturally “suspect” lands west of The Dalles), hence Reed and Villard proposed NPRR ownership of the joint line above The Dalles.

Legal and strategic considerations of both sides stalled the first agreement. Both sides gave the agreement to their lawyers. Both Artemus Homes and C.E. Bretherton, lawyers for the OR&N objected to the proposition’s abandonment of the OR&N line on the south bank, noting that the OR&N articles did not empower the company to surrender

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<sup>70</sup> Artemus H. Holmes to Henry Villard, 12/6/79, in Henry Villard Business Papers, vol. 34. Baker Library, Graduate School of Business Administration, Harvard University. See also James B. Hedges, *Henry Villard and the Railways of the Northwest* (New Haven: Yale University Press, 1930), p. 71.

its trunk line to another company. Although the articles granted the company the right to lease or purchase other roads, Holmes maintained that “the directors of the Oregon company have not the right or power to build a part of their line, in fact their main line, on behalf of another company which is to operate, control and own the part so built.” However, if the Northern Pacific were to “make a valid lease to the Oregon Company on the road built by the latter,” Holmes told Villard, “I think the last objection would be met, a 999 years lease, if legal, differs in ownership only in name.”<sup>71</sup> Holmes’s objection was purely legal semantics, for he found no impropriety or danger in turning over the OR&N line to the Northern Pacific.

Bretherton disagreed on principal, legal and financial. He felt the costs of abandoning ownership of the Columbia route outweighed the benefits of secure traffic with the NPRR. “I cannot convince myself,” Bretherton complained, “that any agreement giving the running power to the Oregon Company can offer them adequate protection or be in any way an equivalent for their turning over to another company the trunk line of their proposed system.” Bretherton argued that in most joint line agreements, “the company having the running powers over the line of another can construct a line of its own in case of disagreement and the proprietary line has thus little or nothing to gain by a rupture. But in the present case no such security exists for the Oregon Company, once the road is built, the owners, the Pacific Company, are masters of the situation.”<sup>72</sup> In Bretherton’s opinion, the agreement surrendered any leverage the OR&N had in the interior, and made it impossible to collect freight independent of the NPRR. If the OR&N were to build any branch lines in connection with the joint road, they would be utterly dependent on the NPRR connection to The Dalles, and the NPRR could use its leverage on the Columbia to stop the OR&N from building into the interior. Should the NPRR decide to build its line south of The Dalles, the OR&N would be a road without a territory, for the Northern Pacific could spend time and money building branch

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<sup>71</sup> Artemus H. Holmes to Henry Villard, 12/6/79, in Henry Villard Business Papers, vol. 34. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>72</sup> C.E. Bretherton to Henry Villard, 12/31/79, in Henry Villard Business Papers, box 26, folder 245. Baker Library, Graduate School of Business Administration, Harvard University.



lines and strengthening its system. Bretherton reasoned that if the NPRR owned the line the onus for a competitive line would be on the OR&N, but the NPRR would be able to keep the OR&N from building by instituting discriminatory freight rates.

Apprised of their mistake in the initial proposal, Reed quickly notified Potts and Wright that the OR&N did not have the legal right to surrender ownership of the line. Villard was busy negotiating the possibility of another NPRR mortgage with European bankers, so the negotiations were left entirely to Reed. Reed turned to Dolph for legal assistance and the two Oregon residents wrote another proposal based on Holmes's suggestion of a perpetual lease.<sup>73</sup> Reed told the NPRR negotiators that the OR&N would need a perpetual lease to surmount the legal obstacles. This proposition, however, did no better under the eyes of the Northern Pacific lawyers, who were uncertain of the ability of the NPRR to lease any of its road. Billings told Villard that the NPRR did not "have the right to lease the road absolutely and take simply a contract," for precisely the same reasons that the OR&N demanded a perpetual lease, it would have effectively split control of the NPRR line, and jeopardized the land grant. This an opinion that was cemented by a Supreme Court case a month later in March.<sup>74</sup> However, Billings noted, simply leasing an OR&N owned line was not out of the question, as long as the OR&N did not deny, nor the NPRR did not abandon, their right to build down the Columbia.

Thus both lines jealously guarded their intentions to build along the Columbia, but the two sides did agree on some basic propositions: construction of a joint-use line would avoid parallel roads and keep the companies from waging a financially devastating rate war. Second, any agreement needed to recognize the intentions of both lines to build

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<sup>73</sup> "Reed brings with him their proposal and our sketch of a counter-proposal." Dolph to Villard, 2/4/80, in Henry Villard Business Papers, box 89, folder 655. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>74</sup> Frederick Billings to Henry Villard, 2/9/80, in Henry Villard Business Papers, box 43, folder 312. Baker Library, Graduate School of Business Administration, Harvard University. See also Henry Villard to William Endicott, 3/31/80, in Henry Villard Business Papers, vol. 33. Baker Library, Graduate School of Business Administration, Harvard University: "The decision of the U.S. Supreme court published in yesterdays paper regarding the leasing power of railroads unexpectedly confirmed Mr Southmayd's opinion that the NP has no power to lease and that therefore the proposed arrangement is out of the question." See *Thomas v. Railroad Company*, 99 United States Reports, Supreme Court, 71.

along the Columbia.<sup>75</sup> Finally, the OR&N facilities at Wallula on the Columbia River seemed a logical and likely interchange point, thus any joint-line should probably run from Wallula to Portland. If the NPRR agreed to lease the OR&N line on the south bank of the River, and the OR&N recognized the NPRR right to construct a line on the North bank, the two corporations could come to terms.

Although the negotiators agreed on the benefits of a jointly used line problems arose over the geographical nature of the lease. What was to become of the “local traffic,” the receipts on freight to and from Wallula and Portland that ran only on the OR&N Columbia line? Potts wanted to divide the receipts equally, but Reed flatly denied any right the NPRR had to a share of the local receipts. Reed and Villard submitted the question to the OR&N management in Portland and received a unified response, typified by Ainsworth’s reaction: “you are right in refusing to divide local business with the North Pacific.”<sup>76</sup> As far as the OR&N management was concerned, the NPRR would simply be running through-freight from points north and east of Wallula along the OR&N road. Local merchants and farmers would still be contracting with OR&N for shipping, not the Northern Pacific. At this point, the talks stalled. Reed returned to Portland and Villard took over the negotiations on the part of the OR&N in New York.

Reed and Ainsworth acted as a nexus between the NPRR and the OR&N, using their long-term relationship with the NPRR management and their new power in the

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<sup>75</sup> Although evidence for the intentions of the NPRR along the Columbia is incomplete, it does support the conclusion that a connection was more important than ownership of the Columbia line. See Frederick Billings to Henry Villard, 3/14/81, in Henry Villard Business Papers, box 43, folder 212. Baker Library, Graduate School of Business Administration, Harvard University. Villard also claimed that it was the lands along the Columbia more than the line that Billings was interested in. See Henry Villard to C.C. Jackson, 7/6/80, in Henry Villard Business Papers, vol. 39. Baker Library, Graduate School of Business Administration, Harvard University. The NPRR simply did not have the finances to build in the Pend Oreille and along the Columbia. Also, Billings preferred the Cascade branch to the Columbia branch because the former was cheaper. However, Congress designated the Columbia line the main line. Were the NPRR to build the Cascade branch without also attempting the Columbia line, they would have been vulnerable to more attacks on the land grant. The NPRR land grant had been the target of constant Congressional threats. See James B. Hedges, *Henry Villard and the Railways of the Northwest* (New Haven: Yale University Press, 1930), pp. 47–55, 70. For a discussion of Railroad land grant and congressional attempts at forfeiture, see John Bell Rae, *The Development of Railway Land Subsidy Policy in the United States* (New York: Arno Press, 1979).

<sup>76</sup> J.C. Ainsworth to Simeon G. Reed, 12/24/79, in John C. Ainsworth Collection, vol. 2. Special Collections Library, University of Oregon.

OR&N in hopes of moving past the dispute over local business.<sup>77</sup> The two often worked behind Villard and Billings, sharing and passing information gained in confidence from the New York financiers.<sup>78</sup> Writing to Billings, Ainsworth argued that “a Road must be built down the Columbia, [and] the OR&NC have resolved to build such a road.... It seems almost criminal on the part of either party refusing fair terms.”<sup>79</sup> He wrote the same to Wright but added, “if terms are not reached, it is only a question of time when a conflict will come. I cannot stay long in the harness of OSNCo and when I leave there will be no one left in sympathy with North Pacific.”<sup>80</sup> Ainsworth held out the possibility that the OSN’s Columbia River line would not be a friendly route forever. If the Columbia turned hostile to the NPRR, the Oregon line could retard construction on the western divisions of the transcontinental. Although Billings remained stubborn and told Ainsworth that the negotiations were off, Wright wrote to Reed urging that an agreement must be made. All of the correspondence Reed then forwarded to Villard, along with another admonition.<sup>81</sup>

Villard used the information from Ainsworth and Reed to strengthen his hand against the NPRR executives. He notified Potts about Ainsworth’s denial of the NPRR’s claim to local traffic. “I took pains to submit ... your claim for one half of the local business, to Mr Ainsworth, who has been a member of the board and the trusted advisor of your company on the Pacific Coast during the last ten years,” Villard told Potts. “His

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<sup>77</sup> It is important to recognize the historical links between the OSN, the OR&N and the NPRR. When the NPRR purchased the OSN in 1872, Ainsworth became a board member and western director in the transcontinental. When Jay Cooke failed, and Ainsworth, Reed, and Thompson bought back the OSN, Ainsworth remained an NPRR director, a position he held even after the sale of the OSN to the OR&N in 1879. See Peter J. Lewty, *To the Columbia Gateway: The Oregon Railway and the Northern Pacific, 1879–1884* (Pullman, Wash.: Washington State University Press, 1987), pp. 10, 13; James B. Hedges, *Henry Villard and the Railways of the Northwest* (New Haven: Yale University Press, 1930), p. 54.

<sup>78</sup> See letters to and from Henry Villard and C.B. Wright in Simeon G. Reed Collection, Reed Letterbooks, vols. 11 and 13. Special Collections, Reed College; and letters to and from C.B. Wright, in John C. Ainsworth Collection, boxes 14 and 15, and letters to and from Frederick Billings, in John C. Ainsworth Collection, boxes 11 and 12. Special Collections Library, University of Oregon.

<sup>79</sup> J.C. Ainsworth to Frederick Billings, 11/28/79, in John C. Ainsworth Collection, vol. 2. Special Collections Library, University of Oregon.

<sup>80</sup> J.C. Ainsworth to C.B. Wright, 12/4/79, in John C. Ainsworth Collection, vol. 2. Special Collections Library, University of Oregon.

<sup>81</sup> Simeon G. Reed to Henry Villard, 1/26/80, in John C. Ainsworth Collection, box 8, folder 3. Special Collections Library, University of Oregon.

answer was most decidedly that we were entirely right in refusing to admit your claim.”<sup>82</sup> Villard pointed to Ainsworth as an authority, claiming that even an NPRR director felt that the transcontinental’s claims on the local business were unreasonable. Billings responded that the NPRR executives recognized the OR&N’s right to the local business but were unwilling “to a surrender of all the local business to your company beyond a reasonable time.”<sup>83</sup>

Villard felt that Billings was dodging the question, and leading the OR&N on. In an attempt to remove some of Billings’s artifice, Villard replied, somewhat coyly, “Why don’t you buy us out, then you will have the whole of the local business?”<sup>84</sup> Of course Billings was unable to come up with the necessary funds for the OR&N, and Villard knew so. The NPRR ultimately conceded all the local business when Villard promised that the agreement between the two companies would contain a provision for a sinking capital fund to pay the interest on NPRR mortgage bonds.<sup>85</sup>

### *The Traffic Agreement*

The two companies finally came to an agreement in July 1880, but, the actual contract was not signed until October of that year.<sup>86</sup> The traffic agreement was first and foremost an attempt to eliminate competition between the two lines. As C.B. Wright told Reed, “parallel roads as a general thing are damaging to capital.”<sup>87</sup> Historian Alfred Chandler explains that the incredibly high fixed costs of railroads—in 1880 they averaged two-thirds of the total cost of the road—meant that any traffic for a road was

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<sup>82</sup> See Henry Villard to J.D. Potts, 1/17/80, in Henry Villard Business Papers, vol. 33a . Baker Library, Graduate School of Business Administration, Harvard University.

<sup>83</sup> Frederick Billings to Henry Villard, 2/9/80, in Henry Villard Business Papers, box 43, folder 312. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>84</sup> Henry Villard to Simeon G. Reed, 2/12/80, in Simeon G. Reed Collection, Reed Letterbooks, vol. 11. Special Collections, Reed College.

<sup>85</sup> Henry Villard to Simeon G. Reed, 3/8/80, in Simeon G. Reed Collection, Reed Letterbooks, vol. 11. Special Collections, Reed College.

<sup>86</sup> See “Agreement between Oregon railway and Navigation and Northern Pacific Co.” July 1880, in Henry Villard Business Papers, box 26, folder 244. Baker Library, Graduate School of Business Administration, Harvard University; and James B. Hedges, *Henry Villard and the Railways of the Northwest* (New Haven: Yale University Press, 1930), p. 72

<sup>87</sup> C.B. Wright to Simeon G. Reed, 5/12/80, in Simeon G. Reed Collection, Reed Letterbooks, vol. 11. Special Collections, Reed College.

better than nothing, even if the roads charged low rates. At points where railroads competed, the only way to attract freight was to cut rates, a situation which led to a rate war.<sup>88</sup> The longer trunk lines, such as the NPRR, and even the OR&N before its branch lines were completed, had even higher fixed costs, and a smaller traffic per mile ratio. In the case of the OR&N and NPRR, a rate war could easily bankrupt both lines, thus they both wanted an agreement.<sup>89</sup>

The extensive agreement was entirely geographical, and created two distinct, non-competitive, rail “systems” in the region, each with their own imperial territory. The agreement hinged on a south bank, joint-use line, owned by the OR&N. First, the NPRR recognized the OR&N right of way on the south bank of the Columbia, something that both Dolph and Thielsen maintained was absolutely necessary. Even though the south

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<sup>88</sup> Railroading was a capital intensive industry where fixed costs—the capital necessary to run a railroad independent of the amount of freight in the cars—far exceeded variable costs—the costs which fluctuated according to the amount of freight the road carried. The proportion of fixed to variable costs impacted rates most significantly when a road faced competition. Fixed costs for railroads were so high that freight carried at any price was better than no freight at all. Competition between roads in a sparsely populated region such as the Pacific Northwest often resulted in intense rate wars where roads would cut rates well below the cost of running the trains. Rate wars, or “ruinous competition” could accomplish two things: first, roads believed that they could make up some of the fixed costs with higher traffic volumes. The ultimate goal, however was to outspend competitors and force the losers to withdraw from the trade completely, so that the victorious road would be the left to monopolize the territory. On competition, rates, and profits see Naomi Lamoreaux, *The Great Merger Movement in American Business, 1895-1904* (Cambridge: Cambridge University Press, 1985), pp. 80-86; Colleen A. Dunlavy, *Politics and Industrialization: Early Railroads in the United States and Prussia* (Princeton: Princeton University Press, 1994), pp. 37-40; and Alfred D. Chandler, Jr., *The Visible Hand: The Managerial Revolution in American Business* (Cambridge, Mass.: The Belknap Press of Harvard University Press, 1977), pp. 133-34.

Chandler writes “As long as a road had cars available to carry freight the temptation to attract traffic by reducing rates was always there. Any rate that covered more than the variable costs of transporting a shipment brought the road extra income,” p. 134. Chandler argues that roads had to make traffic contracts and pooling agreements to avoid bankruptcy when they encountered direct competition. Beginning in the 1850s, smaller roads that controlled local and bounded territories made agreements with each other bridge localities, thus providing through freight and avoiding direct competition. These agreements were informal, but because they lacked enforcement provisions, they eventually failed. Managers turned to more and more formalized federations or cartels for traffic and pooling agreements as a means of bridging two or more single-controlled regions. Upon their failure, executives turned to building or buying giant inter-territorial railway systems.

<sup>89</sup> The two corporations wanted to protect their system as it existed, as well as their future plans for more extensive trunk and branch lines that would control larger landscapes within the Pacific Northwest. Hence, the both sides understood the advantages of a traffic agreement, if only to provide a basic structure for the construction projects each road intended. In 1880, Neither road had a very extensive fixed system in the Pacific Northwest—the OR&N controlled the Columbia River route by steamboats and held the Wallula-Walla Wall route, while the NPRR had but a single line from Kalama to Tacoma and a coal road from Tacoma to the Puyallup coal fields.

bank of the river provided a roadbed that was cheaper to grade and maintain, the NPRR was willing to grant the OR&N right of way. The NPRR charter granted the road 40 sections of land per mile in the territories as opposed to 20 sections in established states, making the Oregon side of the Columbia much less valuable than the right of way in Washington Territory. The contract specified that the OR&N would build and own the line from Wallula to Portland, but granted the NPRR perpetual running rights on the road at a fixed cost per mile—to be agreed upon by the companies.

The contract also set rates on through freight between the two companies. The OR&N contracted to carry all excess NPRR freight originating on the NPRR branch and main lines north and east of Wallula, and the NPRR contracted to carry all OR&N freight eastward—receipts for both were based on proportionate mileage. The roads would transfer this through freight at Wallula, which the agreement defined as the common interchange point between the two systems. The way in which the two companies determined mileage, however, had little to do with how far the trains actually traveled. Instead, the contract defined all the NPRR branch termini “south or west of Spokane falls except the branch across the Cascade Range to Puget Sound,” and Spokane Falls on the main line as “common points” with “the farther terminus of each and every branch road now or that may be hereafter owned or controlled or operated by the Oregon Company ... east of the town of Umatilla, in the State of Oregon, and north and west of the Blue Mountains.”<sup>90</sup> The two roads agreed that rates “from or to the said Common Points ... to or from any point or points west of Wallula” would be the same. For the purpose of rates and receipts, the traffic agreement effectively eliminated the actual geographic space between the various branch lines owned and operated by each company, and assigned them a spatial equivalence.

The contract also provided an option for the NPRR to build a line along the Columbia thus securing its land grant. If the transcontinental decided to build a north bank line, the OR&N would contract to build the line from Wallula to The Dalles, at

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<sup>90</sup> “Agreement between Oregon railway and Navigation and Northern Pacific Co.” July 1880, in Henry Villard Business Papers, box 26, folder 244. Baker Library, Graduate School of Business Administration, Harvard University

which point The Dalles would be the common interchange point and the south bank line to Portland would be the joint-use line. Although the contract allowed for the NPRR to build from The Dalles to Portland, both Villard and Billings felt that the difficulties in grading a roadbed below The Dalles were sufficient to make the line financially suspect. In addition, the relatively mountainous character of the land grant at that point made it unlikely that the NPRR would choose to build there anytime soon. Billings reportedly told Villard that the land below The Dalles was “hardly worth acquiring,” and assured Villard that “there is hardly any motive for [the NPRR] for requiring a line of their own until the increase of business shall necessitate it.”<sup>91</sup> The OR&N assumed that because the agreement fixed liberal terms for the NPRR the latter road would be content to build its Lake Pen d’Oreille division before attempting anything on the Columbia. And even when the transcontinental made plans to build along the River, the OR&N had the first right of refusal to build the line, a task which would enrich Villard’s enterprises further. Thus, the contract allowed for both the OR&N and the NPRR to retain ownership, or the possibility of ownership, of their respective routes.

In the last article of the traffic contract, the two roads agreed to a nearly complete division of the Pacific Northwest into NPRR and OR&N dominated zones. In what is perhaps the most interesting and sweeping spatial construction of the contract, the negotiators literally carved up the region, using the dominant river system as “a natural boundary between the territory exclusively tributary to the system of railway of one party and that exclusively tributary to the system of railway of the other party.”<sup>92</sup> In order to prevent “ruinous competition” and rate wars, Billings and Villard agreed “the territories to be occupied by the parties respectively, with their branches, should be distinctly defined in the contract.”<sup>93</sup> The division of territory protected the right of each road to build within that region, but denied the right of each road to extend lines into the other’s

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<sup>91</sup> Henry Villard to C.C. Jackson, 7/6/80, in Henry Villard Business Papers, vol. 39. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>92</sup> “Agreement between Oregon railway and Navigation and Northern Pacific Co.” July 1880, in Henry Villard Business Papers, box 26, folder 244. Baker Library, Graduate School of Business Administration, Harvard University

<sup>93</sup> Frederick Billings to Henry Villard, 3/5/80, in Henry Villard Business Papers, box 43, folder 312. Baker Library, Graduate School of Business Administration, Harvard University.

occupied territory. The contract guaranteed the NPRR exclusive rights to all the territory north of the Columbia to Ainsworth, the confluence of the Columbia and the Snake, and North of the Snake at Ainsworth. The OR&N would control of all the territory south of the Columbia to Ainsworth, and south of the Snake upriver from Ainsworth. The OR&N executives did force one exception to the division: the Texas Ferry-Farmington branch that the OR&N had already located.<sup>94</sup> Finally, in order to induce good faith on the part of the rogue OR&N line north of the dividing line, the OIC agreed to purchase and sell 300,000 acres of Palouse lands, thus vesting the OR&N in territory north of the Snake. The traffic agreement was the OR&N's first textual attempt to fix and delineate specific regions, or territorial geographies, tributary to the OR&N and the NPRR systems.

#### *Failure of the Traffic Agreement and the Battle on the Ground*

It turns out that the traffic agreement alone did not adequately meet the NPRR challenge along the Columbia River. The OR&N lawyers believed that NPRR could withdraw from the contract or violate the stipulations without penalty as soon as the transcontinental felt it had the funds to complete either its Cascade or Columbia trunk lines.<sup>95</sup> The OR&N legal team did find the contract useful, however, "as a diplomatic protocol, or statement of the terms on which the two Companies will work amicably

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<sup>94</sup> This line is identified in the traffic agreement as the "intended branch via Texas Ferry on Snake River thence in a northwesterly direction to Union Flat in the westerly part of Township Sixteen (16) north, Range forty (40) east, thence in an easterly direction to Colfax, and thence in a northwesterly direction to its terminus at Farmington." See "Agreement between Oregon railway and Navigation and Northern Pacific Co." July 1880, in Henry Villard Business Papers, box 26, folder 244. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>95</sup> Both Bretherton and Mitchell had doubts about the contract. Arbitration of this kind was rarely binding, and the vague legality of it would inevitably lead to protracted court battles. Bretherton also predicted "that it has no legal validity of any description and that the execution of it by the respective parties will not impose any obligation on either of them which a Court of Law can enforce." His primary concern was over the division of territory "which states on its face that it is intended to embody an arrangement preventing competition, is clearly contrary to public policy." He told Villard that "no court of equity would specifically enforce it or enjoin its violation." C.E. Bretherton to Henry Villard, 8/5/80, in Henry Villard Business Papers, box 26, folder 245. Baker Library, Graduate School of Business Administration, Harvard University. Mitchell agreed and told Villard that "the agreement to divide the territory is of doubtful validity. Public policy is opposed to any infringement of the rights of travel or any of the facilities which competition may furnish." See J.H. Mitchell to Henry Villard, 8/10/80, in Henry Villard Business Papers, box 82, folder 574. Baker Library, Graduate School of Business Administration, Harvard University.



together.” Bretherton told Villard that the agreement “may have considerable value, and serve a useful purpose.... as a basis of negotiation.” The OR&N needed to find a way to make the contract, a paper landscape without enforcement provisions, a binding document or a reality in steel rails.<sup>96</sup>

The Financial dealings of the NPRR ultimately made the OR&N’s fears a reality. At the same time the OR&N lawyers were forming doubts about the contract, the NPRR was negotiating with three New York banking houses—Drexel, Morgan & Co.; Winslow, Lanier & Co.; and A. Belmont & Co.—for another mortgage. The transcontinental executives felt that the traffic agreement was too limiting, and the managers wanted to complete the Cascade Branch as soon as they could. Wright indicated this fact to Reed as early as May 1880 when he wrote “in all probability, some strong interest will be added to [the NPRR] before many months” thus making the possibility of parallel roads or at least the completion of the Cascade branch a reality.<sup>97</sup>

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<sup>96</sup> Bretherton suggested that the companies divide the contract into its constituent parts and hold separate negotiations on each aspect of the agreement. The lawyer told Villard that “subsequent actions or agreements,” would transform the spirit of the unenforceable contract “into contracts of binding force.” C.E. Bretherton to Henry Villard, 8/5/80, in Henry Villard Business Papers, box 26, folder 245. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>97</sup> By 1880, Wright held stock in both the NPRR and the OR&N, and was literally invested in a compromise between the two lines. C.B. Wright to Simeon G. Reed, 5/12/80, in Simeon G. Reed Collection, Reed Letterbooks, vol. 11. Special Collections, Reed College.

Both Lewty and Hedges claim that the financial arrangement between the New York bankers and the NPRR was a complete surprise to Villard, and have cited Villard’s *Memoirs* to illustrate their point. See Henry Villard, *Memoirs of Henry Villard, Journalist and Financier, 1835–1900*, vol. 2 (Boston: Houghton, Mifflin and Company, 1904), pp. 296–97 “Mr. Villard heard of this portentous operation only a few days before its consummation.... In a short time he decided upon the adoption of a radical remedy for these threatening consequences. He formed the boldest resolution of his whole business career.” See James B. Hedges, *Henry Villard and the Railways of the Northwest* (New Haven: Yale University Press, 1930), pp. 73–74; and Peter J. Lewty, *To the Columbia Gateway: The Oregon Railway and the Northern Pacific, 1879–1884* (Pullman, Wash.: Washington State University Press, 1987), pp. 65–66. Yet the admonition of Wright to Reed in May indicates that Villard could have known as early as May, and thus should not have been so surprised. It is likely that Villard structured his narrative to erase any earlier understanding of this financial threat to coming from the Northern Pacific; Villard was after all a banker more than anything else. For the blind pool to be as spectacular as Villard wanted history to remember it, swift thinking and action were essential to establish its daringness, supposedly conceived in a few days in December 1880. For if Villard had indeed known about the Northern Pacific’s improved financial means as early as May, he would have had the chance to attempt a number of different strategies to block the NPRR, which in fact he did do. Hence the OR&N’s movements from the summer of 1880 through December of that year, indicate that neither Villard nor the rest of his management staff truly believed that the NPRR would sit still and abide by the terms of the agreement. In all probability, Reed informed Villard about the possible NPRR

Initially, the OR&N turned to the state to stop the NPRR from invading OR&N territory. J.H. Mitchell was involved in attacking the NPRR's land grant in Congress. In My 1880, Congress was considering a bill to extend the duration of the land grant for six years upon the condition that the road build from Portland to Wallula.<sup>98</sup> B. Goldsmith, an OR&N lobbyist in the employ of J.H. Mitchell, wrote to Oregon Senators Slater and Grover reminding the two that the OR&N was "now building the same line as fast as it can be built without asking one dollar or one acre of land from the Government." Goldsmith claimed that "it is entirely useless to give millions of acres to the Northern Pacific for a purpose which another company accomplishes without cost to the Government."<sup>99</sup> Early the next year, Representative Martin of West Virginia introduced a bill to investigate the progress and accounts of the Northern Pacific to determine if Congress should institute forfeiture proceedings on the transcontinental's land grant. The bill was held up in committee while the Congress waited for the annual report of the Auditor of Pacific Railroad Accounts, Thomas French.<sup>100</sup> French's report, however, was entirely favorable to the Northern Pacific. The auditor argued that the company was doing all it could to complete its road, and that the government could accomplish nothing by forcing forfeiture.<sup>101</sup>

With the congressional route closed, the OR&N had to investigate other avenues of defense. When negotiated contracts and agreements failed to stabilize the situation, the OR&N actually moved the battle to the field. The OR&N hoped to block the NPRR by controlling the geography and property rights to both the North Bank of the Columbia River as well the approaches to Puget Sound. The struggle for the Columbia began with maps. First, the OR&N needed to know just how much of the north bank route the

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mortgage, which brought about the myriad attempts to obstruct or hamper the progress of the NPRR while Villard could put together a financial plan to purchase the road.

<sup>98</sup> For Congressional action concerning the NPRR land grant in 1880, see *Congressional Record*, 46<sup>th</sup> Cong., 2<sup>nd</sup> sess., pp. 34, 68, 186, 676, 1065, 2587, 3176.

<sup>99</sup> B. Goldsmith to Senator Slater, 5/6/80; and B. Goldsmith to Senator Grover, 5/6/80, in Henry Villard Business Papers, vol. 38. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>100</sup> See *Congressional Record*, 46<sup>th</sup> Cong. 3<sup>rd</sup> sess., pp. 205, 660, 1934.

<sup>101</sup> *Congressional Record*, 46<sup>th</sup> Cong. 3<sup>rd</sup> sess., pp. 1307–1309, 1314. See also, James B. Hedges, *Henry Villard and the Railways of the Northwest* (New Haven: Yale University Press, 1930), p. 70.

Northern Pacific had secured with maps of definite location. Oakes and Dolph asked Armstrong, the same land agent that obtained control of the coal lands at Franklin, to go the General Land Office at The Dalles and Wallula to “see if maps of [NPRR] location North Bank Columbia have been filed with county clerks between Dalles and Wallula.”<sup>102</sup> At the same time, Mitchell went to the Land Department in Washington, D.C., to “take a look at the map on file ... showing the location of the Northern Pacific line on the north bank.”<sup>103</sup> After Mitchell and an OR&N engineer secretly copied the NPRR map of location they forwarded it to Oakes. Once the OR&N knew where the NPRR intended to locate its line, the Oregon managers argued that by purchasing strategic locations along the river, they could throw up legal barriers to the NPRR, just as they had done to Coe and his Cascade scheme. Oakes and Dolph sent Armstrong to the River to purchase as much of it as possible from Wallula on down ordering him to “judge from topography how much to buy, wherever physical conformation confines location to narrow limits, ... buy only so much as may be necessary to give us control of the situation.” Oakes told Armstrong to “buy full sections or even more” at points that the landscape and “the route broadens” in order “to compel any adverse interest seeking a location along the North bank for a RR line to condemn and to otherwise obstruct their progress in every possible way.”<sup>104</sup>

The OR&N intended to use the property titles to force the transcontinental into court for condemnation proceedings. However, Congress had authorized the Northern Pacific to proceed, in the words of Dolph “in a rather summary manner to condemn a right of way.”<sup>105</sup> When the NPRR encountered private property in the way of its line, Congress authorized the road to simply occupy any land necessary for their route. The NPRR need only make an offer for the land, and if the owner refused, “disinterested

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<sup>102</sup> T.F. Oakes to J.N. Dolph, 4/4/81, in Henry Villard Business Papers, box 90, folder 667. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>103</sup> Henry Villard to J.H. Mitchell, in Henry Villard Business Papers, vol. 40a. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>104</sup> T.F. Oakes to P.T. Keene, 4/18/81, in Henry Villard Business Papers, vol. 41. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>105</sup> J.N. Dolph to Henry Villard, 5/14/81, in Henry Villard Business Papers, box 90, folder 668. Baker Library, Graduate School of Business Administration, Harvard University.

commissioners” would be assigned to appraise the land. If either the owner or the railroad objected to the valuation, they could appeal. But, “such appeal shall not interfere with the rights of said company to enter upon the premises taken, or to do any act necessary ... in the construction of its road.” In addition, the party instituting the appeal would be financially responsible “for the payment of any cost that may arise upon such appeal.”<sup>106</sup> Should the OR&N institute court proceedings and receive an unfavorable response, they would be liable for the cost of the proceedings. Still, the managers felt that the length of court battles favored their obstructionist aims, and title to the land was better than no challenge at all.

After the company had accomplished all it could along the Columbia, the managers turned their attention to Puget Sound and their sister corporation the OIC. The OIC owned the Seattle & Walla Walla Railroad, originally chartered by Seattle capitalists hoping to cross the Cascade Mountains and secure a connection between the Sound and the Columbia. The charter authorized the company to “build, equip, and run a railroad ... from ... Seattle via the Snoqualmie pass to a point on the upper Columbia River opposite to ... Wallula,” powers which the incorporators expanded to include a connection with Walla Walla.<sup>107</sup> When Arthur Denny, John McGilvra, and their associates failed to secure necessary capital, they turned the S&WWRR into a coal road. The OIC purchased the road primarily to strengthen their control on the coal trade in out of Puget Sound.

The OR&N hoped to use the rights to Snoqualmie pass to frustrate the NPRR’s attempts to complete their Cascade Branch (see map 10). When Dolph re-organized the S&WWRR into the Columbia & Puget Sound Railroad in November, 1880, he made sure that the new charter inherited the former company’s rights to Snoqualmie pass. Article two of the C&PSRR charter stated that the new company’s first object of business would be to construct a railroad from Seattle “by the most practicable route in a general

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<sup>106</sup> See section seven of “An act granting lands to aid in the construction of a railroad and telegraph line from Lake Superior to Puget’s Sound, on the Pacific Coast by the Northern Route, July 2, 1864” 13 Stat., 365.

<sup>107</sup> “Certificate of Incorporation” Seattle & Walla Walla Railroad and Transportation Company, in Henry Villard Business Papers, box 30, folder 247. Baker Library, Graduate School of Business Administration, Harvard University.

southeasterly direction through the Snoqualmie or other available pass in the Cascade Range of Mountains to the City of Walla Walla.”<sup>108</sup> Dolph also amended the articles of the OIC—the new owner of the C&PSRR—giving it powers to build a road from Seattle to Walla Walla.<sup>109</sup> Even though the OR&N and OIC management would gain little by actually building the road, they knew that the pass offered a strategic point of defense against the NPRR’s intention to build across the Cascades.<sup>110</sup>

Although the road was authorized to build across the pass, it did not own a right of way along the route. Dolph and Oakes worked together to perfect the company’s right of way across the pass. Snoqualmie pass was part of the public domain, and the C&PSRR right of way was dependent upon the Interior Department approval of the company’s map of definite location.<sup>111</sup> The S&WWRR had filed a map of definite location with the Interior Department some years before, but the Secretary rejected it because it was incomplete. Oakes obtained the old S&WWRR survey notes and the two managers tried to re-construct a map suitable to send to the General Land Office. Unfortunately, the survey notes were “very incomplete” according to Oakes. Oakes asked the original surveyor, a Mr. Morris, if he could redraw the map without actually conducting another survey.<sup>112</sup> Morris drew up another map and sent it on to Washington but failed to sign the necessary certificates indicating that the C&PSRR had employed him as a surveyor of the route. Dolph then ordered Morris to come to Portland and work with Thielsen to

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<sup>108</sup> “Articles of Incorporation for the Columbia and Puget Sound Railroad” 11/24/80, in Henry Villard Business Papers, box 30, folder 251. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>109</sup> J.N. Dolph to Henry Villard, 11/7/80, in Henry Villard Business Papers, box 89, folder 662. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>110</sup> Villard and his fellow incorporators had set up the OR&N and the OIC to center business on Portland, and a line across the Cascades would have given Puget Sound an advantage in trade. The harbors in the sound were a direct ocean connection whereas ocean freight from Portland needed to be guided across the dangerous Columbia bar, which greatly increased the cost of shipping. On the dangers of the Columbia Bar, see William H. Goetzmann, *Exploration and Empire: The Explorer and the Scientist in the Winning of the American West* (New York: Alfred A. Knopf, 1966), p. 239; and Norman Graebner, *Empire on the Pacific: A Study in American Transcontinental Expansion* (New York: The Ronald Press Company, 1955), pp. 28–29.

<sup>111</sup> See J.N. Dolph to Henry Villard, 11/11/80, in Henry Villard Business Papers, box 89, folder 662. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>112</sup> T.F. Oakes to Henry Villard, 2/2/81, in Henry Villard Business Papers, box 24, folder 215. Baker Library, Graduate School of Business Administration, Harvard University.

complete the maps.<sup>113</sup> Unfortunately, Morris's survey notes were so vague, that the two engineers had to draw a map on a scale of one-quarter inch to the mile instead of a more detailed scale. They produced one large map of the route, instead of multiple maps split into the 20 mile sections, a practice which had become the common by this time. Nevertheless, the General Land Commissioner N.C. McFarland assured Mitchell that the department would not automatically reject the map for these deficiencies, so the engineers certified the maps and sent them in May 1881.<sup>114</sup>

Unfortunately for the company, the department did reject the engineer's maps. Writing to Villard, Mitchell expressed regret that "my fears have been realized."<sup>115</sup> Commissioner McFarland's letter to Mitchell is enlightening for it illustrates just how capital and the state utilized geographic information in the promotion, competition, and completion of railroads. McFarland began by telling Mitchell that the "map showing the line of route of the Columbia and Puget Sound Rail Road Company's road from Renton WT, in Sec. 17 T23N, R5E to a point in section 20 T7N, R31E, on the Columbia River, opposite the town of Wallula," was examined by the department "and found to be defective."<sup>116</sup> There were two problems with the map, according to McFarland. First, McFarland claimed that "while this office does not prescribe a scale," maps of definite location needed to be detailed enough for Land Commissioners to locate a line by quarter-quarter sections—40 acre parcels—on the Public Survey maps, usually 2000 feet to an inch. More importantly, the engineers failed to adequately engage the existing township and range maps that the public surveyors had completed in Washington

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<sup>113</sup> J.N. Dolph to Henry Villard, in Henry Villard Business Papers, box 90, folder 667. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>114</sup> Although the law which governed railway access to the public domain specified neither a certain scale, nor a map divided into twenty-mile sections, most roads had by this time adopted a two inch per mile scale, and took pains to divide their routes into twenty mile sections for organizational and administrative purposes. See General Land Commissioner N.C. McFarland to J. H. Mitchell, 5/6/81, in Henry Villard Business Papers, box 82, folder 576. Baker Library, Graduate School of Business Administration, Harvard University. See also "Sec. 4," of "An Act granting to Railroads the right of way through the public lands of the United States," 3 March 1875, 18 Stat., 483.

<sup>115</sup> J.H. Mitchell to Henry Villard, 8/15/81, in Henry Villard Business Papers, box 82, folder 578. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>116</sup> N.C. McFarland to J.H. Mitchell, 8/11/81, in Henry Villard Business Papers, box 82, folder 578. Baker Library, Graduate School of Business Administration, Harvard University.

Territory. As a result, the OR&N map omitted or simply ignored a number of the Territorial townships which had already been surveyed. As a tool for discerning property rights, the map failed because it lacked the detail—both existing township information, as well as problems of scale—to adequately adjudicate property disputes that might arise from the actual location of the line. McFarland returned the map, and Thielsen, without the help of Morris, drew up the map again. This time Thielsen used notes from the Public surveys in addition to Morris's notes to create a map that conformed to the department's specifications and was more to the liking of the Commissioner.

### *Financial Offensive*

When the OR&N had gained tentative control over the two avenues in question, Villard used the OR&N rights to secure financial backing to strengthen his hand. He intended to either bring the NPRR to terms or purchase the road outright. As early as July 1880, Villard had talked with Billings about the OIC negotiating a loan with European bankers to finance the completion of the NPRR Pend Oreille route.<sup>117</sup> Not long after the two had signed the traffic agreement, Villard successfully closed the negotiations in Europe, and went to Billings with an offer of \$10,000,000.<sup>118</sup> Billings refused because he was trying at the same moment to secure the second mortgage from the New York banking syndicate independent of Villard, an arrangement which the NPRR president completed in early December.

When Villard knew the identity of the firms backing the NPRR, he immediately pressed the houses to implement restrictions on the NPRR construction schedule. He wanted the bankers to forbid any NPRR construction on either the Columbia or the Cascades line, until the Pend Oreille route was finished. Villard claimed that the region

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<sup>117</sup> Henry Villard to William Endicott, Jr., 7/6/80, in Henry Villard Business Papers, vol. 39. Baker Library, Graduate School of Business Administration, Harvard University. See also Eugene V. Smalley, *History of the Northern Pacific Railroad* (New York: G.P. Putnam's, 1883), pp. 263–264; Henry Villard, *Memoirs of Henry Villard, Journalist and Financier, 1835–1900*, vol. 2 (Boston: Houghton, Mifflin and Company, 1904), pp. 296, and Peter J. Lewty, *To the Columbia Gateway: The Oregon Railway and the Northern Pacific, 1879–1884* (Pullman, Wash.: Washington State University Press, 1987), p. 49.

<sup>118</sup> T.F. Oakes to Henry Villard, 11/12/80, in Henry Villard Business Papers, box 24, folder 210. Baker Library, Graduate School of Business Administration, Harvard University.

simply could not sustain two trunk lines to tidewater.<sup>119</sup> As leverage against the mortgage holders, Villard held out the recently signed traffic contract, the OR&N's property rights along the Columbia and Cascade lines, and the possibility of a Union Pacific connection at Baker City, which he was negotiating at the time. Such an alliance would have made the OR&N financially able to discriminate against NPRR construction traffic, as well as through freight to Portland.<sup>120</sup> Villard's primary goal with the syndicate was to stop the transcontinental from building west of the confluence. If the OR&N could keep the NPRR out of the Columbia valley, they would gain, in Villard's words, "four years of unobstructed development for consolidating our hold upon our territory."<sup>121</sup>

Villard's plan backfired, however, for the NPRR board convinced the banking firms that an OR&N and UPRR alliance demanded the immediate completion of a separate outlet to the Pacific. Thus, the financier exercised what he felt was the OR&N's final option, financial control. His relations with the banking syndicate were close enough that the bankers asked him to join their ranks, but he refused.<sup>122</sup> Instead, Villard wanted the syndicate to join him and purchase the NPRR. Villard, Endicott and railroad mogul George Pullman quietly began purchasing NP stock to "give us a controlling voice in the management of that company that ... will prevent the expenditure of any money for

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<sup>119</sup> Henry Villard to C.E. Bretherton, in Henry Villard Business Papers, vol. 40. Baker Library, Graduate School of Business Administration, Harvard University; see also Henry Villard to William Endicott, Jr., 11/23/80, in Henry Villard Business Papers, vol. 39, and Henry Villard to T.F. Oakes, 12/4/80, in Henry Villard Business Papers, vol. 41. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>120</sup> See Henry Villard to T.F. Oakes, 2/2/81, in Henry Villard Business Papers, vol. 42. "Union Pacific has Kimball and crowd of engineers here to decide definitely upon their line to Baker City.... They have \$12,000,000 on hand and are apparently in dead earnest." See also Henry Villard to T.F. Oakes, 2/2/81, in Henry Villard Business Papers, vol. 41, "The full determination of the UP to build to Oregon will produce a wonderful change.... I feel more than ever confident that we shall soon be in such position that the North Pacific Will gladly content itself with the Portland Kalama line to the sound." Baker Library, Graduate School of Business Administration, Harvard University.

<sup>121</sup> Henry Villard to C.E. Bretherton, in Henry Villard Business Papers, vol. 40. Baker Library, Graduate School of Business Administration, Harvard University; see also Henry Villard to William Endicott, Jr., 11/23/80, in Henry Villard Business Papers, vol. 39, and Henry Villard to T.F. Oakes, 12/4/80, in Henry Villard Business Papers, vol. 41. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>122</sup> Henry Villard to C.E. Bretherton, 12/4/80, in Henry Villard Business Papers, vol. 40. Baker Library, Graduate School of Business Administration, Harvard University.



construction west” of the confluence.<sup>123</sup> In February, Villard canvassed for more funds and sent a circular to 55 Wall Street brokerage and banking houses asking for \$8,000,000 in subscriptions to a financial scheme whose intentions he claimed he was not at liberty to state. Within 48 hours he had over \$12,000,000.<sup>124</sup> Although historians have dubbed the Villard’s scheme the “blind pool,” evidence suggests that most informed investors knew what Villard was trying to accomplish. Later in his life, Villard would come to claim that “the very novelty and mystery of the proposition proved to be an irresistible attraction.”<sup>125</sup> During the incident, however, he admitted to Pullman that while the pool was supposedly confidential, others had approached Villard with cash offers to fund a purchasing syndicate to buy control of the Northern Pacific.<sup>126</sup> Armed with new capital, Villard was able to buy enough Northern Pacific common stock to gain a majority in the company. Villard even tried to bring Billings into his purchasing syndicate but the NPRR president declined.<sup>127</sup>

The NPRR then initiated a plan to stop Villard and fulfill its charter by pressing the completion of its line to the sea. Billings knew that Villard wanted a controlling interest on the Board of Directors only to stall or deny the NPRR line across the Cascades, a route which Billings felt was superior to the Columbia line. “I am so certain a road will be built [across the Cascades] by some Company,” Billings told Villard, “I think it would be almost a crime if the Northern Pacific should lose its right to build there and its land grant.” Billings argued that the NPRR already had a coal road to Wilkeson,

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<sup>123</sup> Henry Villard to T.F. Oakes, 12/4/80, in Henry Villard Business Papers, vol. 41. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>124</sup> See James B. Hedges, *Henry Villard and the Railways of the Northwest* (New Haven: Yale University Press, 1930), p. 77; Peter J. Lewty, *To the Columbia Gateway: The Oregon Railway and the Northern Pacific, 1879–1884* (Pullman, Wash.: Washington State University Press, 1987), pp. 66–67; Henry Villard, *Memoirs of Henry Villard, Journalist and Financier, 1835–1900*, vol. 2 (Boston: Houghton, Mifflin and Company, 1904), pp. 297–98; and Eugene V. Smalley, *History of the Northern Pacific Railroad* (New York: G.P. Putnam’s, 1883), pp. 265–68.

<sup>125</sup> Henry Villard, *Memoirs of Henry Villard, Journalist and Financier, 1835–1900*, vol. 2 (Boston: Houghton, Mifflin and Company, 1904), p. 298.

<sup>126</sup> Henry Villard to George Pullman, 2/9/81, in Henry Villard Business Papers, vol. 40a. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>127</sup> Frederick Billings to Henry Villard 3/14/81, in Henry Villard Business Papers, box 43, folder 212. Baker Library, Graduate School of Business Administration, Harvard University. Billings also refused to sell his stock to Villard.

and that a line up the Yakima valley should be completed for local purposes. All that the NPRR needed to do was to build over Snoqualmie pass to complete the road. In addition, Billings claimed that Northern Pacific was “chartered to go to Puget Sound both by the Columbia River and by the Cascade Range. Certainly by at least one route or the other it should go there.... On the sound I believe commerce in time will do its chief work, instead of on the Columbia River. The dangers and difficulties of entering the river and its navigation will tell against it.”<sup>128</sup>

Unwilling to give up on the geography projected by its charter, the NPRR issued \$18,000,000 of reserve stock, in order to weaken Villard’s share of the company. Soon after, Villard issued an injunction to stop the NPRR from selling the shares, claiming that the NPRR stock issue was illegal, which it was.<sup>129</sup> After a month of stalemate, Ainsworth brokered a compromise between Billings and Villard in late April. Billings agreed to give Villard control of the NPRR board if he dropped the injunction suites.<sup>130</sup> With Villard in control of both the NPRR and the OR&N, he could effectively breathe life into the provisions of the traffic agreement.

### *The Holding Company*

Although Villard preferred the corporate merger as a means of harmonizing his various financial schemes—as was the case with the OR&N—the German financier was legally unable to simply re-incorporate the NPRR into his vast financial empire. The

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<sup>128</sup> Frederick Billings to Henry Villard 3/14/81, in Henry Villard Business Papers, box 43, folder 212. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>129</sup> Although Villard and the NPRR settled out of court, it appears that Villard’s charges held legal weight. When the NPRR reorganized in 1875, the new mortgage created \$51,000,000 of preferred stock and \$49,000,000 of common stock, but issued only \$31,000,000 common stock. The NPRR set aside the remaining \$18,000,000 common as payment for completion of the line to construction companies. With each section of road completed, stock could be redeemed for land as the road perfected its land grant title, with preferred stock having priority of choice. Since the mortgage, holders of the preferred stock had redeemed some \$8,000,000 on land grant property, leaving \$43,000,000 preferred outstanding. On 3 March 1881, the NPRR executive board directed the treasurer to place the remaining 180,000 shares of common stock among 240 individuals all sympathetic to the Billings faction. Villard’s injunction alleged that the move was illegal and fraudulent because it gave the parties receiving the latest issue of common stock absolute control of the company. See James B. Hedges, *Henry Villard and the Railways of the Northwest* (New Haven: Yale University Press, 1930), pp. 78–79.

<sup>130</sup> Henry Villard to J.N. Dolph, 4/29/81, in Henry Villard Business Papers, vol. 40a. Baker Library, Graduate School of Business Administration, Harvard University.

NPRR represented a unique congressional mandate and a particularly close association between the state and the corporation: it was simultaneously a public and a private enterprise. In addition, merging the NPRR with another company might have endangered the company's land grant. As Villard told Bretherton, "it will always be necessary to keep the NP active as such, with reference to its charter."<sup>131</sup> As a result, the legal barriers inherent in merging the OR&N into the NPRR or vice versa were too large to make the scheme practical. Instead, the OR&N executives decided to form a holding company that would own a majority of stock in both the NPRR and the OR&N, and thus "harmonize" the operations of both companies.

In March, even before the two companies had reached a compromise, Dolph drew up articles of incorporation for a new company, the Oregon & Transcontinental Company. The various working names of the company conceived by Dolph—the Oregon Transportation Company, the Oregon and Columbia River and Atlantic Railway Company—were almost as magisterial as the executives' vision of its future business. The articles specified no fewer than 12 rail lines, including the Columbia route, the Baker City connection with the Union Pacific, branch lines out of Walla Walla, the Cascade branch of the NPRR, the NPRR main line east of Wallula, a Portland-Astoria line, and Willamette River lines. In addition, the articles authorized the board to

purchase, consolidate with, lease or otherwise acquire ... any other railroad or railroads ... now constructed or which may be hereafter constructed upon the route or routes of the main line or branches of the railroads of this corporation, or any steamship or steamboat line which may connect or be intended to connect or exchange traffic with any railroad, steamship or steamboat line of this corporation.... To facilitate ... the construction ... of any railroad or telegraph line or steamship or steamboat line in any of the states of Oregon, California, Nevada or Minnesota or the Territories of Washington, Idaho, Montana or Dakota or any steamship line running from Portland, Oregon, to any other port or ports in the Pacific Ocean.... To subscribe for or purchase the shares ... of any company owning or operating any such railroad, telegraph, steamship or steamboat line as is lastly described or of any steamship company running between ports on the Northern Pacific and China and Japan.<sup>132</sup>

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<sup>131</sup> Henry Villard to C.E. Bretherton, 3/26/81, in Henry Villard Business Papers, vol. 40. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>132</sup> "Articles of Incorporation, Oregon and Transcontinental Company," in Henry Villard Business Papers, box 68, folder 452. Baker Library, Graduate School of Business Administration, Harvard University.

Historian James Hedges argues that “it is difficult to conceive of a strategic site for a line of rail or water communication in the Pacific Northwest which was not anticipated in the articles of incorporation of the Oregon and Transcontinental Company.”<sup>133</sup> Indeed, the O&T all brought an end to the series of corporate contests for the Columbia gateway under Villard’s reign. Although the OR&N would have to contain other challengers, especially in eastern Oregon, the histories of those battles mirror the struggles along the Columbia River in their reliance on geographical information, the access to legal structures that allowed for the manipulation of geographic knowledge, and the role that finances played in the story.<sup>134</sup>

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Geographic information was essential to the corporate struggles that took place outside of the Pacific Northwest. Western managers created geographic information in the West and sent that knowledge eastward where it became the very basis of negotiation, as in the traffic contract negotiations. An entire continent separated the geography that the OR&N sought to control and the owners of the line and the company depended upon the attention and analysis of residents managers in the Pacific Northwest. Other times, however, corporations moved their confrontations to the West itself. While the owners and executive officers of the NPRR and OR&N might have been battling face to face in New York, men such as Oakes, Dolph, Thielsen, and Armstrong were the ones who devised and executed the necessary geographical defenses in the Pacific Northwest that decided the contest. Only they could judge which strategically purchased landscapes could give the OR&N “control of the situation.”<sup>135</sup>

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<sup>133</sup> James B. Hedges, *Henry Villard and the Railways of the Northwest* (New Haven: Yale University Press, 1930), p. 80.

<sup>134</sup> My intent here is not a detailed history of every corporate contest between the OR&N and its rivals, but rather to illustrate the geographical scope of both intra-regional and inter-regional corporate contestation. For a chronological and narrative account of the corporate contests over the Oregon transportation landscape, see James B. Hedges, *Henry Villard and the Railways of the Northwest* (New Haven: Yale University Press, 1930), and Peter J. Lewty, *To the Columbia Gateway: The Oregon Railway and the Northern Pacific, 1879–1884* (Pullman, Wash.: Washington State University Press, 1987).

<sup>135</sup> T.F. Oakes to P.T. Keene, 4/18/81, in Henry Villard Business Papers, vol. 41. Baker Library, Graduate School of Business Administration, Harvard University.

These stories also illuminate the unique legal framework that surrounded railroad expansion in the late nineteenth-century. Railroad law made geographical information an essential component of railroad ventures, and let both local capitalists and international financiers challenge dominant corporations within a region. The fact that geographical knowledge lay at the heart of all corporate negotiations for the region sheds new light on those negotiations, which were the product of contests in the political and financial realm of the core as well as the periphery. Railroad owners and directors in the East drew their understanding of the road from managers and engineers who resided in the West itself, and the geographic information created by western engineers became the very vocabulary of corporate negotiations. But we need to understand that it was the federal government that gave that information power. The corporate charters, traffic agreements, legal contests, and holding companies were all creatures of law. Corporations and the federal government combined to create a capitalist space in the region through the creation, manipulation, and codification of geographic knowledge. Corporate rivalries, worked out in both the boardrooms and the courtrooms produced new networks of trade and resource development, integrated new markets with old, and created new labor and immigration networks.

The O&T, the holding company designed to harmonize the business of the OR&N and the NPRR was an explicitly geographic venture whose very corporate charter gave it the legal power to monopolize the transportation landscape of not only the Pacific Northwest, but all approaches to it, east or west. It is telling that Dolph and Villard decided to include an Asian trading route across the Pacific, for after they had secured what was the Oregon Country, they intended to turn their eyes farther west, indeed to the Far East. That project of imperial expansion would have to wait, however. The O&T may have secured the Northwest against other corporations, but, as we will see in Part II, northwesterners who lacked the means or wherewithal to form corporate entities to challenge Villard's interest, fought to carve out their own space within the vast empire of the OR&N.

## **Portfolio 1**

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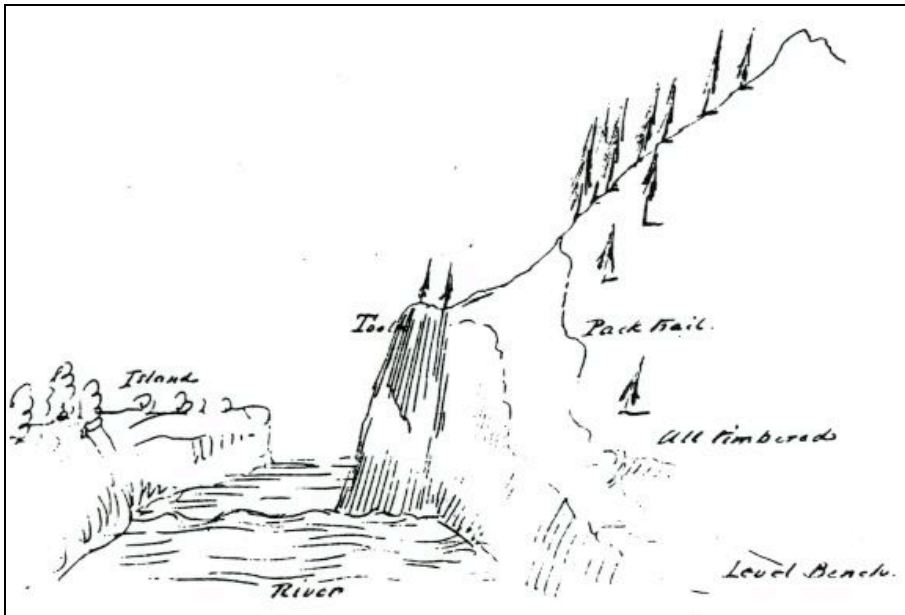


fig. 1. Sketch of Oregon side of Columbia River and the pack trail from Ruckel Landing to the mouth of Tanner Creek. From George H. Derby to Hartman Bache, 19 May 1856. Letters Received, RG 77: records of the Office of the Chief of Engineers, National Archives, Washington, D.C.

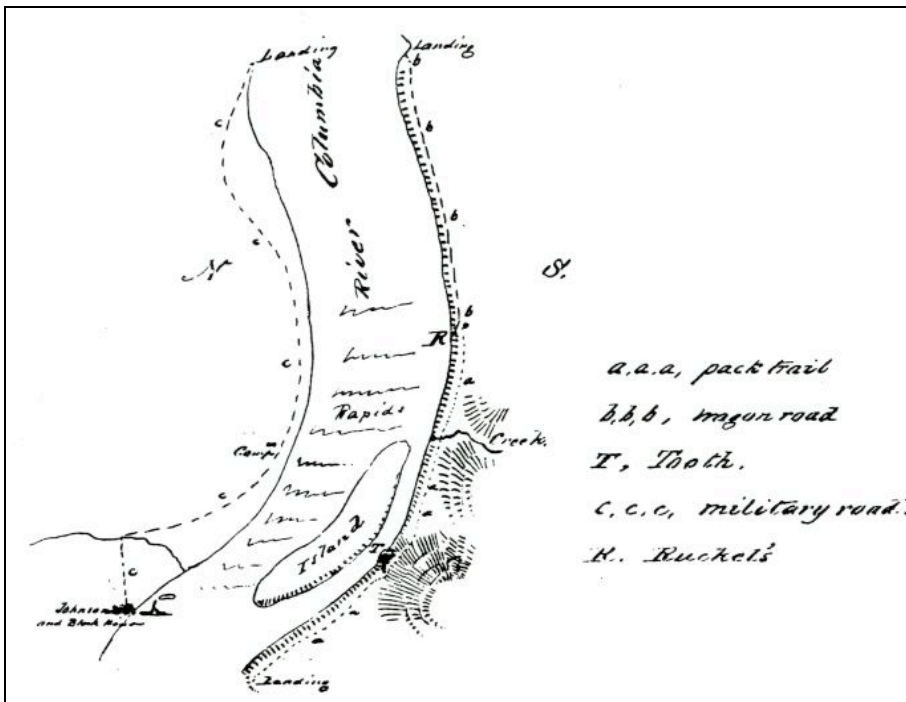


fig. 2. Sketch of Columbia River at the Cascades showing Bradford's Island, Ruckel's landing and the Oregon bank pack trail over the Ruckel claim. From George H. Derby to Hartman Bache, 19 May 1856. Letters Received, RG 77: records of the Office of the Chief of Engineers, National Archives, Washington, D.C.



*fig. 3. The Middle Cascades, Washington Bank, by Carleton Watkins, 1867 Oregon Historical Society. This picture shows the Palmer Brothers Store and Saloon.*



*fig. 4 Old Bradford & Company Tramway, by Carleton Watkins, 1867, Oregon Historical Society.*





*fig. 5. Eagle Creek, Columbia River, by Carleton Watkins, 1867, Oregon Historical Society.*



*fig. 6. Upper Cascades, Columbia River, by Carleton Watkins, 1867, Oregon Historical Society.*

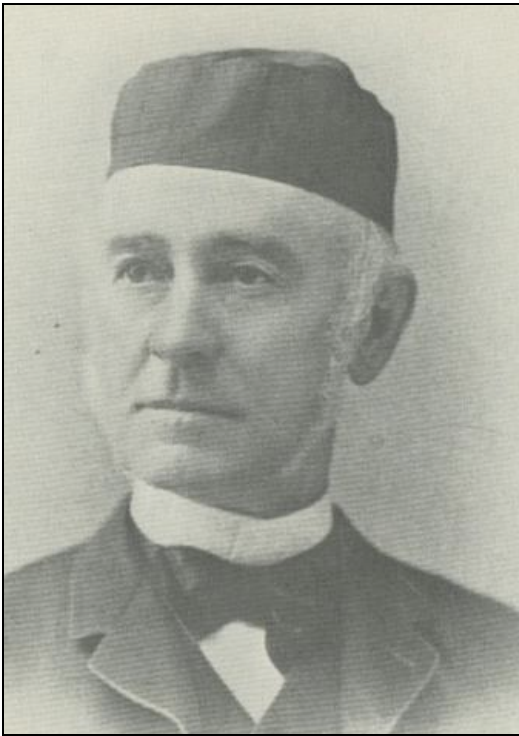


*fig. 7. Abandoned Portage, Oregon Bank, Columbia River, by Carleton Watkins, 1867, Oregon Historical Society.*

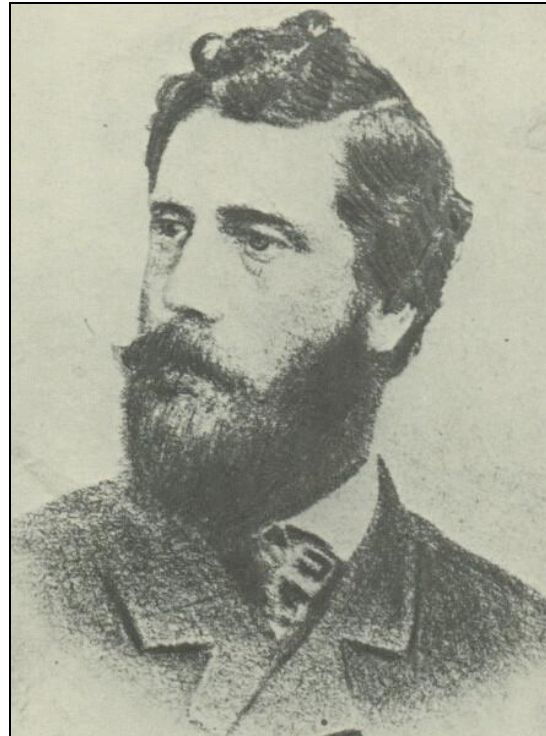


*fig. 8. OSN Steamboat Interior, Oregon Historical Society.*

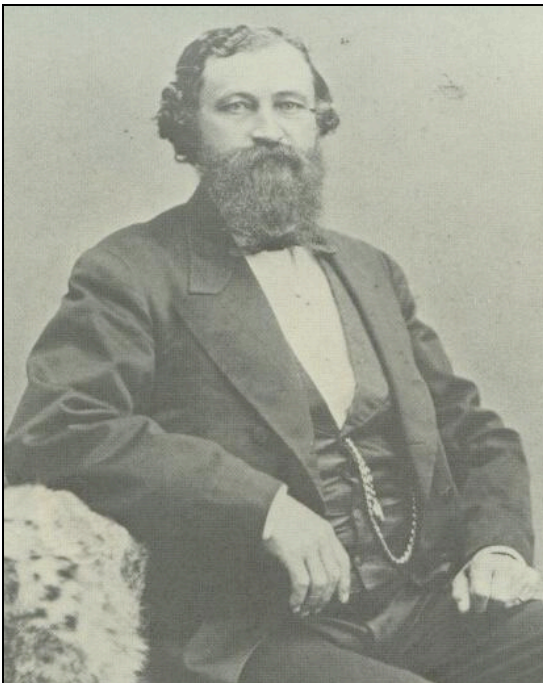




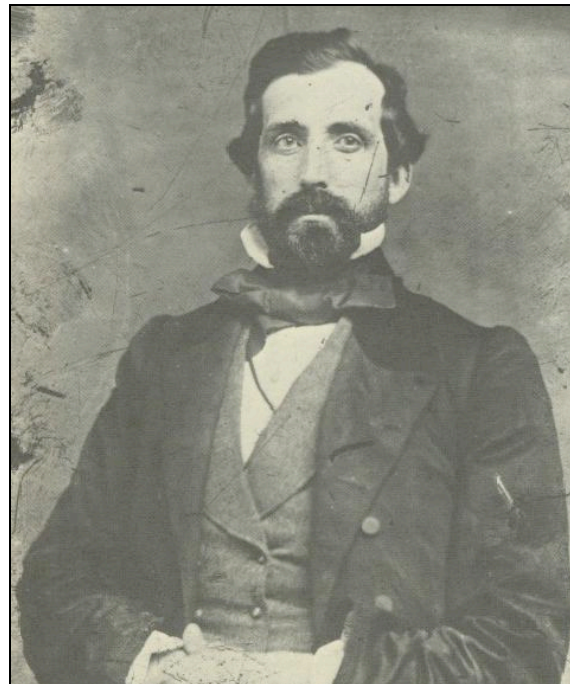
*fig. 9. John C. Ainsworth, Oregon Historical Society.*



*fig. 10. Simeon G. Reed, Oregon Historical Society.*



*fig. 11. R.R. Thompson, Oregon Historical Society.*



*fig. 12. W.S. Ladd, Oregon Historical Society.*

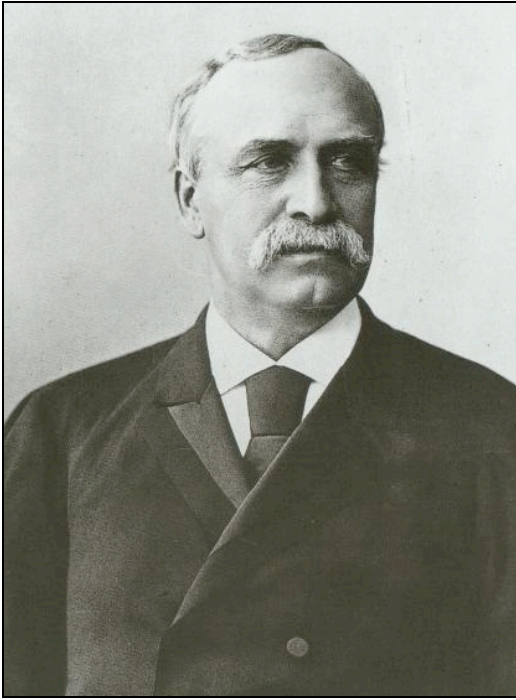


fig. 13. Henry Villard, *Oregon Historical Society*.

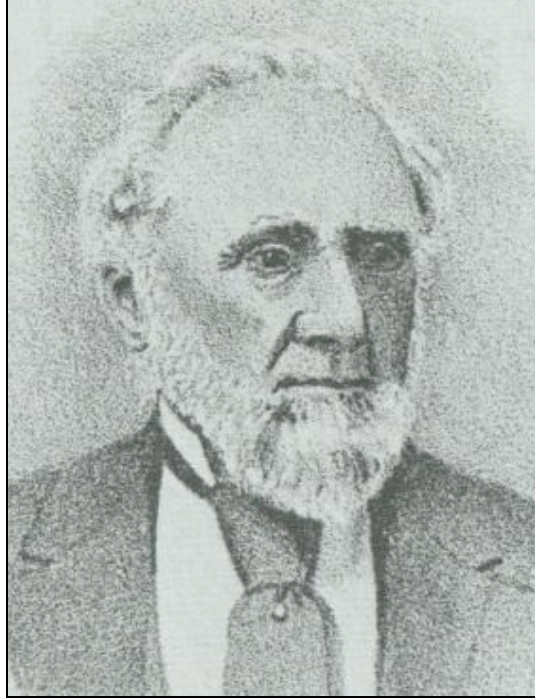


fig. 14. Henry Thielsen, *Oregon Historical Society*.



fig. 15, Crow Indians at the Last Spike Ceremony, *F.J. Haynes, Henry Villard Business Papers. Baker Library, Graduate School of Business Administration, Harvard University.*

## **Inset: Final Spike, Last Straw**

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*Pioneer Oregon is a thing of the past.... The transcontinental railroad has annihilated time and space, and at our door stands a train that is composed of cars loaded through from ocean to ocean. A new Oregon springs up to-day.*

– Portland *Oregonian*, 9 September 1883

Sixty miles west of Helena, Montana lies the confluence of the Clark's Fork and Gold Creek. I've never seen it except in person, only in hundreds of pictures, prints, woodcuts, and illustrations housed at the Oregon Historical Society, the Harvard Business School, the Montana Historical Society, and probably a dozen more libraries and archives. The place is unremarkable. A gentle bluff rises up from the course of the river and creek. It looks sandy, certainly not fertile. But sage dots the flats and the bluff as it does in countless other western landscapes, some startlingly familiar, some utterly anonymous. To look at it in the photos I've seen, Gold Creek, as it was called, could be Jackson Hole, Wyoming, or it could be Durkee, Oregon. From the sublime to the mundane, some parts of the West appear indistinguishable to me. Gold Creek should be one of those places. But, as countless archival hours stare back at me in these pictures, it is obvious that it isn't.

The pictures all come from the same day, and most are from the same photographer. On Saturday, September 8, 1883, F. Jay Haynes working for the Northern Pacific Railroad, became the latest member of an ever-growing professional fraternity: photographers who sought to bring visual drama to what they, as well as many others, felt was western history in the making. On that Saturday in September, Haynes had the task of making pictures from that most tried-and-true moment of boosterism, the final spike ceremony.

From the look of the photographs, it wasn't a nice day. Windy. And smoke—or dust, or fog, no one attending talked of it—hung thick in the air. At any rate, there are no shadows so the sun certainly wasn't shining. It must have perturbed Henry Villard. As President of both the Northern Pacific and the Oregon Railway and Navigation Company,



Villard had done everything humanly possible to make this the greatest, grandest, last spike ceremony in the history of the West, America, and the entire railroad world. He had personally planned the whole celebration. According to historian Carlos Schwantes, Villard was the architect of the “symbolism of the occasion.”<sup>1</sup> Indeed, his managers complained that “notwithstanding the lavish expenditure of money that has greatly benefited [the region], we do not get the slightest encouragement from her.”<sup>2</sup>

Villard invited foreign dignitaries from three countries, along with the hundreds of lesser-known politicians, railroad officials, investors, journalists, merchants, and businessmen to his grand celebration. Five separate “specials,” trains with priority right of way, made the journey, some coming from St. Paul Minnesota, some from Portland, Oregon. Villard had paid for an immense pavilion to be built, an oasis of civilization crying out in the wilderness. Decorated with red, white, and blue bunting and pine boughs, the grandstands could seat well over a thousand spectators.

They needed the seats. The “official” festivities ran from 3:00 in the afternoon to past 6:00 pm, although observers remarked that some Montanans had come much earlier, drink in hand, also there to celebrate history. When the unofficial ceremonies began, the records don’t say. I can only imagine that this too, must have perturbed Henry Villard. The celebration seems to have gone on all day before Villard and his special trains had arrived, and probably after they had left.

The pictures and newspaper stories tell us that others came to Gold Creek that day. Folks you might not expect to see. There was at least one group of Indians, members

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<sup>1</sup> My description of the Final Spike Ceremony is drawn from both primary and secondary sources. For original accounts see Portland *Oregonian* 9 September 1883; George Bird Grinnell, “Building the Northern Pacific,” *Idaho Yesterdays* 16 (Winter 1972-73): 10–13; Katherine Villard Seckinger, ed. “The Great Railroad Celebration, 1883: A Narrative by Francis Jackson Garrison,” *Montana, the Magazine of Western History* 33 (Summer 1983): 12–23. Photos of the celebration can be found in several different archives. See photographic collection of the Oregon Historical Society; Henry Villard Business Papers, Baker Library, Graduate School of Business Administration, Harvard University; and the Haynes Foundation Collection, Montana Historical Society. I also rely heavily on Carlos Schwantes, *The Pacific Northwest: An Interpretive History* (Lincoln: University of Nebraska Press, 1996), pp. 169–78; and Alexandra Villard de Borchgrave and John Cullen, *Villard: The Life and Times of an American Titan* (New York: Doubleday, 2001), pp. 330–34.

<sup>2</sup> Thomas F. Oakes to C.H. Prescott, 5, February 1883, quoted in Thomas C. Cochran, *Railroad Leaders, 1845-1890: The Business Mind in Action* (Cambridge, Mass.: Harvard University Press, 1953), p. 206.

of the Crow nation, according to contemporary observers. They were decked out in fantastic ceremonial garb, skins of fur hanging from beaded vests, single feathers in their hair (see fig. 15). Villard had invited them too, an official delegation, to visually mark the passing of the frontier and hail the coming of civilization. Average folk came to Gold Creek to mark this historic event, as well. Chinese laborers that had worked on building the road and their white counterparts. Farmers and ranchers from the surrounding valleys had been eagerly awaiting completion of the line so that they could ship their goods to market, easily, effortlessly. They had also come to Gold Creek to see the inauguration of what they hoped would be a new economic era.

The keynote speaker was Secretary of State William Evarts. He spoke after a brass band belted out “The Star Spangled Banner,” and a handful of other patriotic American tunes. He gave a long, heavy speech, and by the end, some of the crowd had begun to get restless. If the newspaper accounts are to be believed, many demanded an end to the speeches, but their wishes were not granted. Villard spoke; Ulysses S. Grant spoke; so too did Frederick Billings, former president of the NPRR and the man who had saved it from utter financial collapse, only to have Villard and his investors swoop in and take the road from his grasp; governors and politicians of all stripes rounded out the list of orators who marked the grand event. There were 18 speeches in all. As Schwantes notes, “they speechified so long that the sun had dropped behind the hills before it was time to drive the final spike.”<sup>3</sup>

For all of Villard’s planning and pomp, the celebration appears over-hyped. Everywhere you look in the historical record, there is dissonance. Take the track itself. A few days before the ceremony was to be held, work crews had actually finished the track that they were supposed to complete at the ceremony. In order to “lay the final track” in front of the enormous crowd, they had to go back and disassemble an entire quarter mile section. On the day of the ceremony, after the speeches had been made and the band played patriotic, workers then turned to re-do the twelve hundred feet that they had

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<sup>3</sup> Carlos Schwantes, *Railroad Signatures Across the Pacific Northwest* (Seattle: University of Washington Press, 1993), p. 58

already laid. In a frenzy of excitement—the crowd was shouting and electric—they started at both ends. The restless drunken onlookers were jeering, swearing, and threatening. Whoever was in charge had forgotten to cordon off the area where the two teams were to meet and federal soldiers were required to clear out the rowdies. The workers finished the section in less than twelve minutes. By that time the crowd had become so animated that none of the final words could be heard by any of the “respectable” visitors.

The Indians seem out of place as well. Haynes’s photographs show a solitary, marginal group. They look at themselves but not the crowd or the camera. Sitting off to the side, in a closed circle, they are an *object*—around them has gathered a group of curious speculators—they are not participants. The last spike itself was handed to Villard by the Sioux Chief Sitting Bull, as if to formally hand over final control of the western landscape. Of course, neither the Sioux, Crow, nor any number of different Indian peoples stopped fighting for power in the landscape of the American West.

Most striking in this landscape of dissonance is Villard himself. The grand celebration was a publicity “stunt” as much as it was a celebration of accomplishment. Villard’s finances, and those of the Northern Pacific in particular, lay in ruins. He had spent \$300,000 on the final spike ceremony alone. Forced to build a rail empire in the reverse order that economics would have suggested—down the Columbia first, feeder roads second. In addition, he was so eager to have it completed, the managers in charge of construction had well overspent the company’s revenues. Desperate to remain solvent, Villard watered down the Northern Pacific stock, selling thousands of shares of Oregon & Transcontinental to pay for construction. Months before completion, in the spring of 1883 prices for OR&N and NPRR securities had plummeted. OR&N had dropped 25% while the NPRR stock was off by one-half its value. Yet Villard and those in favor of construction kept pushing the line to completion, gambling that the price of securities would rise if the public believed the transcontinental would be completed. Some of the management had grown skeptical. J.N. Dolph, who had recently been elected Senator from Oregon, suggested that Villard halt construction and take in revenue. Villard was



amazed: “The very existence of the O&T depends on the success of the Northern Pacific stock,” he told Dolph, the price of Northern Pacific was doomed if it were not completed.<sup>4</sup>

The result was total financial failure. Days after the final spike ceremony Northern Pacific securities again plummeted. The New York *Herald*, Villard’s former employer from his days as a civil war reporter, described the scene with graphic frontier imagery: there had been a “general stamping upon the Northern Pacific properties, about which ... the scalpers of the Board Room executed a regular war dance.”<sup>5</sup> Villard scrambled to save the company’s finances, he was after all the corporation’s financier. He invested more of his own personal fortune and used his personal holdings in the OIC to secure a mortgage for the O&T. Then he tried to raise the value of the NPRR stocks by having the O&T purchase excess shares. It was truly a house of cards. Aggressive accounting in today’s terms. But no amount of juggling, shuffling, mortgaging, or swindling could calm the stockholders, all of whom had run screaming from the O&T, OR&N, and NPRR. Even his longtime supporters were amazed. Referring to Villard’s financial maneuvers, Boston financier William Endicott wrote, “I cannot quite make up my mind whether it is you or [P.T.] Barnum that has the greatest show on earth.”<sup>6</sup> On October 17, Villard told his wife Fannie that he had suffered a “terrible anxious time.” Two months later, Endicott appeared in the middle of the night, woke Villard from his sleep, and informed the financier that he was ruined. He must resign his presidencies of the O&T and OR&N, Endicott told him. Villard put up little resistance but held on to the NPRR. Finally, a few weeks later, Villard gave up the presidency of it as well. His had suffered a nearly total failure. His personal wealth had fallen from \$5 million to a “mere” \$1 million

Even after his failure, Villard seemed nostalgic about the final spike celebration. Years later, recalling the moment the trains rolled across the Columbia Plain and into

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<sup>4</sup> Henry Villard to J.N. Dolph, quoted in Dietrich G. Buss, *Henry Villard: A Study of Transatlantic Investments and Interests, 1870–1895* (New York: Arno Press, 1976), pp. 138–39.

<sup>5</sup> New York *Herald*, 15 September 1883

<sup>6</sup> William Endicott to Henry Villard, quoted in Robin Winks, *Frederick Billings, a Life* (New York: Oxford University Press, 1991), p. 261.

Portland, Villard called the event “the greatest event in the history of Portland.” He remembered the “great celebration ... and the magnificent welcome,” but not the fact that literally simultaneous with his entrance into Portland, was the utter collapse of Northern Pacific stock, the near failure of the railroad, and his almost complete financial reversal.

Looking at the pictures of the final spike ceremony we can see not triumph, but rather failure. Reading the events of that day you can feel the tension the railroad itself caused. Tension that not even the most unambiguous boosters could cover up. From the “sullen” Indians to the drunken frenzied crowd, the completion of the Northern Pacific and Villard’s Empire did not bring peace and prosperity to the region as so many had hoped. Instead, it ushered in an era of conflict. The dreams of the West seemed more a nightmare. Gazing upon the landscape of the mythic West, local residents were met with a stark reality. That dissonance, too, became the source of conflict. As we will see in Part II, local residents of all stripes turned to their own unique visions of the region, its landscape, and their place in it to contest the power wielded by the railroad owners and managers. Just as railroad men had struggled to implement their unique vision of the Northwest, so to did the region’s other inhabitants. Let us now turn to these battles.

## **Part II. Spaces of Resistance**

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## 5. Despoiling Our Inheritance

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### Agrarian Radicalism in Oregon

*It has developed the latent talent and ability existing among the tillers of the soil and has enabled them to unite upon measures of legislation and business for their protection and benefit; it has exerted a potent influence in establishing the great principle that Railroad Corporations, the creatures of law, are amenable to law.. In our State is has opened the rocky gates of the Willamette and made her crystal waters free.. Its power has been felt in the reduction of prices and the destruction of monopolies ... it has united us more closely by the ties of fraternity and good neighborhood.*

– Proceedings of the Oregon State Grange, 1879<sup>1</sup>

*It is true that in the few years since these hills and valleys have been occupied by a civilized people, some who were so fortunate as to sit down in the gate through which our commerce must pass have been able to gather great fortunes by taxing our outgoing and incoming commerce.... We must not suffer others to govern this land which we have redeemed from the wilderness, where we have planted our homes for ourselves and our children. The domestic and foreign usurer and bond-holder, all aliens and strangers to our sympathies, interests and laws, must not be allowed to despoil us of our inheritance.*

– Proceedings of the Oregon State Grange, 1889<sup>2</sup>

Not everyone in the Pacific Northwest viewed the region in the same light as the owners, directors, and managers of corporations like the OSN, the OR&N, or the NPRR. There were many residents in the Northwest who had a different understanding of the landscape and a different idea about what amounted to progress. In many ways, these residents stood in the path of the developing industrial transportation empires created for the “progress” and “development” of the Pacific Northwest. And though many in the region did indeed benefit from the region’s increasingly complex transportation network, many felt taken advantage of by the large corporations that ruled these empires. Consequently, men like Ainsworth, Reed, Villard, and others were the subject of intense criticism from the very local residents to which they sought to bring progress. Although the corporate managers and financiers understood their project as bringing “harmony” to the disparate transportation interests, residents saw it as monopoly. By articulating their

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<sup>1</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1879).

<sup>2</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1889), p. 20–21.

own perceptions of the region's landscape and their place within it, farmers, Indians, and laborers in the Pacific Northwest articulated their criticisms of the transportation industry. Imagining the same landscape that the railroad managers and construction engineers imagined in their corporate charters and railroad surveys, local residents drew different conclusions about landscape, nature, progress, and civilization.

Workers in the Pacific Northwest in the 1870s, 80s, and 90s had taken part in an intense period of industrial development. With the arrival of the transcontinental railroad, (there were three lines running to the Northwest by the time of the exposition), the region went from an isolated outpost on the market frontier to an integrated productive unit in the nation's economy. But this dynamic growth was not without social cost, for the same period saw the radicalization of those in the path of industrialization, the farmers and workers residing in the region's hinterland who sent grain, livestock, ore, and timber to Portland, the region's market center.<sup>3</sup> Combining the language of republicanism with a place-based critique of the railroads, mining, and timber corporations, farmers and laborers sought to use their own image of the Northwest to carve out space in this new industrial order.

Some of the earliest to protest the growth of corporate capital in the Pacific Northwest were the farmers. Ironically, it was the farmers who had lobbied state and federal legislatures for transportation improvements that might help link the far-flung Pacific states to the national market. By the 1870s, both the Willamette and the Columbia River had considerable improvements, and freight traveled by water as far as inland as Montana. But the improvements had been made by private corporations, not the state, a fact which angered the farmers. The OSN's control of strategic points along the Columbia River and the company's portage railways at the navigational obstructions allowed them to dictate freight and traffic rates for the entire watershed. When control

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<sup>3</sup> Carlos Schwantes, *The Pacific Northwest: An Interpretive History* (Lincoln, 1989); *ibid.* "The Concept of the Wageworkers' Frontier: A Framework for Future Research," *Western Historical Quarterly* 1987 18(1): 39–55; and *ibid.* "Protest in a Promised Land: Unemployment, Disinheritance, and the Origin of Labor Militancy in the Pacific Northwest, 1885–1886," *Western Historical Quarterly* 1982 13(4): 373–390. On Portland's regional dominance, see Carl Abbott, "Regional City and Network City: Portland and Seattle in the Twentieth Century," *Western Historical Quarterly* 1992 23(3): 293–322.

passed to Villard in 1879, farmers saw little improvement. Corporate ownership and improvement of the Columbia turned the river itself into a monopoly.

In this chapter, we shall see how agriculturalists responded to growing corporate power by turning to their advantage the geographic vocabulary used by corporations to gain control over the region. Farmers in the Pacific Northwest articulated an image of the region in which corporate power had corrupted the original Jeffersonian promise of the region as a land of free, independent yeomen. As early as 1873, they had organized in Oregon under the popular Patrons of Husbandry, otherwise known as the Grange.<sup>4</sup> The Grangers attacked the OSN and its successor, Villard's OR&N, claiming that the Columbia had "fallen under the control of a grinding and oppressive monopoly, to the great detriment [of] a large and intelligent and industrious people."<sup>5</sup> They blasted the corporations for privatizing the Columbia, which they called a "common highway." Farmers lobbied for an "open river," to aid "the transportation to market ... the fruits of their toil, [so] that they may be enabled to receive a reasonable compensation for their labor."<sup>6</sup> The farmers' critiques found fertile ground in the Oregon legislature and gubernatorial campaigns, and Oregon officials began to argue for a system of corporate regulations to protect the citizens of Oregon and "secure the people from encroachment."<sup>7</sup>

Although the Granger critique became an integral part of Oregon political culture in the 1870s and 1880s, their record was of mixed success. Their rural voice was most effective in gubernatorial politics, and Grangers were responsible for a number of Oregon governors who were sympathetic to the agrarian critique. However, they met great opposition in the legislative arena. Oregon state legislators proposed dozens of "Granger

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<sup>4</sup> On the radicalization of farmers, see Peter G. Boag, *Environment and Experience: Settlement Culture in Nineteenth-Century Oregon* (Berkeley, 1992); and Margaret Kolb Holden, "The Rise and Fall of Oregon Populism: Legal Theory, Political Culture and Public Policy, 1868–1895" (Ph.D. University of Virginia, 1993).

<sup>5</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1873), p. 19.

<sup>6</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1875), pp. 51, 42.

<sup>7</sup> "Biennial Message of Gov. George L. Woods, to the Legislative Assembly of the State of Oregon, Sixth Regular Session, 1870," p. 8. Salem Oregon: State Printer, 1870. Eventually, the federal government did build locks at the Cascades, but only after twenty years of wrangling with the property owner, the OR&N. See William F. Willingham, *Army Engineers and the Development of Oregon: A History of the Portland District U.S. Army Corps of Engineers* (Washington, D.C., 1983), esp. "Chapter 3: The Cascades Canal and Permanent River and Harbor Improvements."

bills” calling for greater state intervention in the transportation industry—the regulation of freight rates, a state railroad commission, the publication of corporate account books, just to name a few. However, thanks to the concerted (and sometimes corrupt) opposition of the corporations themselves, few of these proposals became law. Railroad lawyers immediately brought those bills that became law into court, where they rarely stood up to judicial scrutiny when reviewed by the West’s constitutional guardian, the Ninth Judicial Circuit of the federal courts. In the Pacific Northwest judge Matthew Deady presided over the U.S. District Court of Oregon, and he consistently used the federal judiciary’s expanded power—primarily citing the Fourteenth Amendment’s due process clause—as a means of blocking the reformers. The laws that passed judicial review were toothless, paper tigers that railroad and transportation companies routinely ignored or subverted. Ironically, it was only on a national level that the critiques from local residents, the Grangers from the Pacific Northwest, found any success. After repeated calls from the Washington and Oregon State Granges, the Patrons of Husbandry did succeed in convincing Congress to appropriate funds for a state-owned system of locks at the Cascades that broke the monopoly of the OSN/OR&N interests along the Columbia. But even that victory was not complete. Initial funds were appropriated in the 1870s, but they were insufficient for the task. In addition, both the OSN and the OR&N fought the government’s attempts to break their monopoly and it took over twenty years for the project to be completed.

### **The Ideology of Agrarian Republicanism**

At the heart of the Granger critique of corporate capital was a unique vision of the landscape of the Pacific Northwest as a landscape of promise, a trope they had inherited from the earliest settlers to Oregon.<sup>8</sup> In order to understand the actions of Northwestern farmers in response to the growth of corporations, we first need to understand the role that landscape played in ideology of the Grange. In opposition to the rising power of

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<sup>8</sup> See William H. Goetzmann, *Looking at the Land of Promise: Pioneer Images of the Pacific Northwest* (Pullman, Wash.: Washington State University Press, 1988); and Katherine G. Morrissey, *Mental Territories: Mapping the Inland Empire* (Ithaca, N.Y.: Cornell University Press, 1997).

corporate capital, the Grangers articulated an idealized vision of the white male farmer working hard while being taken advantage of by corrupt corporations. Notions of space and place were essential to this racialized and gendered critique. Oregon Grangers based their critiques on Romantic notions of the yeoman farmer, the Jeffersonian republican landowner whose ownership of private property gave him an interest in the community, but kept his wants simple and his motives pure. Oregon farmers who joined the Patrons of Husbandry idealized farm labor, the farm family, and the western landscape. They called on the government to make good on the Jeffersonian promise supposedly inherent in western expansion and the Oregon country. If the West was an agricultural Eden, then surely corporations represented a fall from grace, a threat to the independence of the yeoman farmer.

Grangers based their criticism on a Jeffersonian vision of the landscape and its promise.<sup>9</sup> Professor James Ronda writes that Oregon in the nineteenth century “meant the West, and for [Thomas Jefferson] the West promised material prosperity and cultural renewal.”<sup>10</sup> From Jefferson’s time onward, the West and especially the Oregon country took an almost mythical form. The landscape was destined by God to renew a corrupt and class-ridden society. Simply encountering the western landscape transformed European and American travelers, and helped to instill moral fortitude, strength against the threats that growing industrialization supposedly posed to Anglo-Saxon virtue. Labor, however, was the real tonic. And the West promised generations of Americans a place to play out the drama of this experiment in Republicanism that the revolutionary generation had begun. This structure of belief came to encompass what historian Henry Nash Smith calls an “agrarian social theory.”<sup>11</sup>

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<sup>9</sup> I am indebted to many historians for the following sketch of the Jeffersonian agrarian vision and its relation to the American West. For a more complete portrait of this political philosophy see Henry Nash Smith, *Virgin Land: The American West as Symbol and Myth* (Cambridge, Mass.: Harvard University Press, 1950), John Logan Allen, *Passage Through the Garden: Lewis and Clark and the Image of the American Northwest* (New York: Dover Publications, 1975), Stephen Dow Beckham, “Hype and Hardcopy: Emigrant Guidebooks for the Oregon Trail,” *Oregon Humanities* (Winter 1992), and James P Ronda, “Calculating Ouragon,” *Oregon Historical Quarterly* 94, nos. 2-3 (1993).

<sup>10</sup> James P Ronda, “Calculating Ouragon,” *Oregon Historical Quarterly* 94, nos. 2-3 (1993): 124.

<sup>11</sup> Henry Nash Smith, *Virgin Land: The American West as Symbol and Myth* (Cambridge, Mass.: Harvard University Press, 1950), p. 125.



Essential to the link between moral virtue and the landscape was the notion, advanced by many nineteenth-century thinkers, that the landscape of western spaces such as Oregon had been specially designated by the Creator. The American West, according to this view, closely resembled the Garden of Eden before the fall of man. This depiction of the West made it into many of the booster tracts on Oregon published during the struggle with Britain for control of the Pacific Northwest and the era of the Oregon trail that followed. Hall Jackson Kelley, one of first, and more florid, boosters wrote extensively on the link between God and Oregon in his *Geographical Sketch of That Part of North America Called Oregon*, published in 1830. Kelley noted that “Providence ... especially, has made Oregon the most favoured spot of His beneficence [sic].”<sup>12</sup> The practical reality of this, according to Kelley, meant that Oregon was looked more like the Garden of Eden than any other spot on earth. “No portion of the globe,” he told his readers, “presents a more fruitful soil, or a milder climate, or equal facilities for carrying into effect the great purposes of a free and enlightened nation.”<sup>13</sup> Kelley was not the first, nor the last promoter to speak of the West or Oregon in this fashion.

The Garden of Eden was an agricultural landscape. Guidebook writer C.W. Dana in his *The Great West, or The Garden of the World*, argued that the West was “the *land of Promise*, and the *Canaan* of our time” where “the New England man, who has been nurtured among the bleak hills and the rough, rocky valleys of his native section, ... [can] turn his gaze to the broad fields of the West, and there behold the *ne plus ultra* of farm-

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<sup>12</sup> Hall J. Kelley, *A geographical sketch of that part of North America, called Oregon: containing an account of the Indian title;--the nature of a right of sovereignty;--the first discoveries;--climate and seasons;--face of the country and mountains--natural divisions, physical appearance and soil of each;--forests and vegetable productions;--rivers, bays, &c.; island, &c.; animals;--the disposition of the Indians, and the number and situation of their tribes;--together with an essay on the advantages resulting from a settlement of the territory. To which is attached a new map of the country* (Boston: J. Howe, 1830), p. 16.

<sup>13</sup> Hall J. Kelley, *A geographical sketch of that part of North America, called Oregon: containing an account of the Indian title;--the nature of a right of sovereignty;--the first discoveries;--climate and seasons;--face of the country and mountains--natural divisions, physical appearance and soil of each;--forests and vegetable productions;--rivers, bays, &c.; island, &c.; animals;--the disposition of the Indians, and the number and situation of their tribes;--together with an essay on the advantages resulting from a settlement of the territory. To which is attached a new map of the country* (Boston: J. Howe, 1830), p. 4.

ing.”<sup>14</sup> The fertility and “salubrious” climate of the Pacific Northwest became legendary. John Charles Frémont, the popular and influential government explorer, helped to make Edenic language official government policy with his characterizations of the Oregon Country published in the 1840s. Traveling through eastern Oregon, along what would become the route of Villard’s OR&N, Frémont described the Grande Ronde Valley as a “beautiful level basin, or mountain valley, covered with good grass, on a rich soil, abundantly watered, and surrounded by high and well timbered mountains.” Here, Frémont exclaimed, “a farmer would delight to establish himself.”<sup>15</sup> The land, Frémont noted, invited husbandmen “to embark on its bosom.”<sup>16</sup> There was more than just a promise in the Far West, indeed there was an obligation. If God had made Oregon his “most favoured spot,” then the settlers who came to this region had a moral duty to take advantage of the Lord’s generosity. Farming in the Far West was, according to this philosophy, ordained by God.

The true profits of farming the Far West came not from the commerce of agriculture, but rather from the independent land ownership and toil inherent in that economy. “The small land holders, are the most precious part of the state,” wrote Jefferson in 1785.<sup>17</sup> Agriculture, according to Jefferson and his intellectual descendents, kept Americans simple, virtuous, and independent. Farming and especially ownership of the land you farmed protected Americans from corruption. This agrarian philosophy contained an entire constellation of moral certitudes, defined, according to Smith, by land ownership. Ownership of the land made farmers independent and thus gave them dignity; interaction with God’s nature made farmers virtuous; and Most importantly, according to Jefferson, land ownership invested owners in the larger society. It made farmers self-

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<sup>14</sup> C.W. Dana, *The Great West, or The Garden of the World; Its History, Its Wealth, Its Natural Advantages, and Its Future; With Statistics and Facts from Hon. Thomas Hart Benton, Gen. Sam Houston, and Col. John C. Fremont* (Philadelphia: Duane Rulison, 1857), pp. 13–14.

<sup>15</sup> Donald Jackson and Mary Lee Spence, eds., *The Expeditions of John Charles Frémont: Volume 1 Travels from 1838 to 1844* (Urbana: University of Illinois Press, 1970), pp. 541, 545

<sup>16</sup> Donald Jackson and Mary Lee Spence, eds., *The Expeditions of John Charles Frémont: Volume 1 Travels from 1838 to 1844* (Urbana: University of Illinois Press, 1970), p. 554

<sup>17</sup> Thomas Jefferson to the Reverend James Madison, 28 October 1785, quoted in Henry Nash Smith, *Virgin Land: The American West as Symbol and Myth* (Cambridge, Mass.: Harvard University Press, 1950), p. 128.

interested, and this was the very heart of republicanism. Interest in society bred civic virtue.<sup>18</sup>

Land ownership also bred equality. According to St. John de Crèvecoeur, one of the most widely read voices of agrarian republicanism, the landscape of all of North America was “the asylum of freedom.”<sup>19</sup> More than grain grew on American soil. According to certain philosophers, freedom and equality were the fruits of these new lands. Crèvecoeur dedicated his *Letters from an American Farmer* to the Jesuit philosopher Guillaume-Thomas-François Raynal. Raynal wrote that in America’s rural neighborhoods made up of small farms and independent landowners, travelers found “a certain equality of station, a security that arises from property, a general hope which every man has of increasing it,” all of which served to create a “general sentiment of benevolence.”<sup>20</sup>

Implicit in this agrarian social theory was a critique of the urban industrial society growing in Europe and the eastern American cities at the turn of the nineteenth-century. Political philosophers such as Jefferson, viewed industrial development with more than just distaste. They looked upon it with horror. Industry bred accumulation of wealth, distinctions between social classes, and ultimately class warfare. This kind of development, Jefferson warned, brought more than just social ills, for it threatened the very foundations of the Republican experiment inaugurated by his generation. Agrarian philosophy countered that the only legitimate wealth was that begotten from the earth. Agriculture was the foundation of all wealth and therefore the only virtuous wealth. Fortunately, according to the agrarians, for all the problems and corruption inherent in the industrial revolution, the West provided an abundant, fertile, and free landscape for countless generations of Americans. As long as America safeguarded the promise of the

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<sup>18</sup> Henry Nash Smith, *Virgin Land: The American West as Symbol and Myth* (Cambridge, Mass.: Harvard University Press, 1950), p. 126

<sup>19</sup> St. John de Crèvecoeur, *Letters from an American Farmer* (London, 1782), quoted in Henry Nash Smith, *Virgin Land: The American West as Symbol and Myth* (Cambridge, Mass.: Harvard University Press, 1950), p. 127.

<sup>20</sup> Guillaume-Thomas-François Raynal, *A Philosophical and Political History of the Settlements and Trade of the Europeans in the East and West Indies*, trans. J. Justamond (Edinburgh, 1776), quoted in Henry Nash Smith, *Virgin Land: The American West as Symbol and Myth* (Cambridge, Mass.: Harvard University Press, 1950), 127.

agricultural West, America itself would be safeguarded from the evils of industrialization.

### **Looking at the Land of Promise: The Ideology of the Oregon State Grange**

The Jeffersonian rhetoric of agrarian republicanism was important to the Grangers both for its vocabulary of political economy as well as its unique vision of the American West. As political actors, the Patrons of Husbandry inherited the language of agrarian critique. But as emigrants to Oregon, settlers, and farmers of the northwestern landscape, they also inherited the promises inherent in the agrarian vision of the western landscape. The image of the West contained in this ideology was more than just political rhetoric, it was common cultural currency. The idea of the American West, and the Oregon Country in particular, as garden of Eden was one of the most popular perceptions of the West in the nineteenth century. Although cultural constructions of the American West have always been contested, and the image of Oregon in the nineteenth century was certainly no exception, the overwhelming dominance achieved by the West-as-Garden myth cannot be dismissed. To what extent settlers in the Northwest adhered to this understanding is impossible to determine, but ultimately less important to our story. What is important is the fact that the Grangers took the images of the West as well as the political, economic, and geographic language of agrarian republicanism, and fashioned a new critique of American society. This vision held up the promises of a free, independent, and virtuous Oregon Eden next to the growing monopolization of transportation in the Pacific Northwest. With this critique, the Grangers sought to carve out their own political, cultural, and perceptual space in this newly industrialized Northwestern landscape.

The organization of the Patrons of Husbandry was complex and its members hailed from all over the state. In Oregon, as in other states, the Grange was divided into the State Grange, whose headquarters were in Salem at the capital, and Subordinate Granges, local community organizations that dotted the state. Once every year in September, the members of the Oregon State Grange would meet in Salem for their

annual convention. Here, they would discuss everything from the adulteration of foods (there was quite a movement to outlaw the sale of oleomargarine, or margarine) to the role that agriculture played in the state's educational system. At the annual meeting, the Patrons would make speeches, pass resolutions, and even elect delegates to the national convention usually held somewhere in the Midwest. Rather than organize their own political party, the Patrons of Husbandry preferred public suasion. They started newspapers as organs of the subordinate Granges, although many were unsuccessful. They also published the proceedings of the annual meeting of the State Grange, which they used to sway not only local voters, but as lobbying tracts for the biennial meeting of the State Legislature (which also convened in September).

Like their intellectual ancestors, the Patrons of husbandry idealized agriculture and the "husbandman," or farmer. "The industry upon which our order is based is agriculture—the most important of all industries—the foundation and support of all others—the true basis of all our national prosperity," declared the annual meeting of the State Grange in 1879.<sup>21</sup> Agriculture, according to the Patrons, was the foundation of society and therefore the only legitimate source of society's wealth. The implications of this ideology of agrarian economics were significant. It meant that any aspect of society that threatened agriculture threatened the economic success of the nation. "No pursuit can be legitimate ... which depresses agriculture," one Grange member wrote, for it was farming itself that "the prosperity of all other proper industries must depend."<sup>22</sup>

This notion of legitimate wealth depended on the gendered conception of the agriculturalist that the Grange created. According to Grange literature, farmers were the only truly independent members of society because they accumulated wealth through their own toil, as opposed to obtaining it from the sweat of someone else's brow. According to the Oregon Grange, only by owning and working the land could Americans achieve "independent manhood and patriotism."<sup>23</sup> Farmers, the Grangers argued, "do not aspire to sudden wealth by speculations, but seek to work their way to competence and

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<sup>21</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1879).

<sup>22</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1885), p. 8.

<sup>23</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1883), p. 8.

fortune by steady industry and moderate gains.”<sup>24</sup> By linking farming to a specifically gendered notion of citizenship the Grange legitimized its members and their occupation. Manhood was, obviously, a necessary prerequisite for republican virtue, and only those who possessed it had a claim on the rights of citizenship. Finally, it was on this basis that the Grange justified the political actions of its members and the attempts by the order to influence politics. “The political affairs of this nation should be controlled by the masses of the people,” one member argued, “and of all the classes which compose these masses, the agriculturalists are the most numerous.”<sup>25</sup>

Next to this idealized agrarian, the Grangers painted a picture of the rapacious corporation. “Corporate power,” the Grange argued lay “in the hands of a few selfish men, lifted to power by ill-gotten wealth.” And these men “through the use of money extorted from the people ... have corrupted legislators in Congress and the State Legislators, and are reaching their subtle fingers for the very pillars of our temple of liberty.”<sup>26</sup> The mechanism of this corporate corruption was the “the laws of the nation and of several states,” which, according to Grange literature “are so framed as to divert from this great industry the rewards which are the great incentives to toil.”<sup>27</sup> That power threatened the lot of the farmer. In the Northwest, which was then just recovering from the financial collapse of 1873, the Grange argued that “the sweat and toil of the farmer brought a revival of business, but the lion’s share of the profits of our immense crop went into the coffers of the railroad combinations.”<sup>28</sup> With that ill-begotten wealth, Grange members argued, railroad companies threatened the foundations of democracy by “amassing to themselves powers dangerous to the people and the government ... powers which the Congress of the United States would not venture to assert.” According to the arguments of the State Grange in 1884, “colossal organizations are becoming stronger and more imperious every year, and are riveting their fetters upon our agricultural interests. No part of the Union is more grievously taxed by these than this Pacific Coast,

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<sup>24</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1884), p. 15.

<sup>25</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1884), p. 15.

<sup>26</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1884), p. 13.

<sup>27</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1879).

<sup>28</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1880).

over which the owners of the great transcontinental lines discriminate in truly sovereign style, dividing up the country between them like monarchs, and taxing the people at will.”<sup>29</sup> Corporations threatened the economic and political foundations of the country because they were aristocratic, un-republican, un-manly. “The powers that are marching to our conquest and subjugation are the great aggregates of capital ... who ... must soon consume the land, close out the owners, and reduce them from the condition of landlords to tenants, divorce them from the land, and destroy both their independent manhood and patriotism.”<sup>30</sup>

Oregon Grangers built their rhetoric of manliness and Producerism on their specific understanding of the landscape of the Northwest. On top of the typical arguments of farmers being the most virtuous and righteous members of society, the Oregon Grange justified their demands on the myths of the western wilderness. The Grangers demanded their inheritance, the promise inherent in Oregon, “the land of promise.” Oregon and her citizens were by virtue of the landscape and their history even more just and righteous. And corporate corruption was made even worse because it was happening in Oregon, the Land of Promise. Oregon was, in the words of the Grange “a country where snowclad [sic] mountains glistened in eternal splendor, whose natural resources are unsurpassed, and where beautiful streams of crystal water pursue their ceaseless course through productive valleys populated by people whose hearts, like the arteries of our great state, flow out for the good of all mankind.”<sup>31</sup> When viewed from the steps of the local Grange, Oregon was a special place that God and Nature had smiled upon. It was, just as the booster tracts and emigrant guides had described it, the closest place to the Garden of Eden that was left on earth after the fall.

The garden myth meant that Oregon was endowed by God for a special purpose: agriculture. “Nature has ordained conditions of soil and climate,” the Grange proclaimed in 1884, “making agriculture and pastoral pursuits the chief occupations of the greatest

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<sup>29</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1884), p. 13.

<sup>30</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1883), pp. 7–8.

<sup>31</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1889), pp. 36.

number of the inhabitants of Oregon, Washington and Idaho.”<sup>32</sup> God had literally smiled upon Oregon, and the Grangers had only to run down the litany of farm produce that they found in Oregon, as evidence that “ours is a favored state.” For it was the creator himself that made “our fields yearly wave with golden grain; our orchards of apples, pears, plums, prunes, and peaches are bountiful in their reward for labor; our vines afford an ample supply, and our soil is unsurpassed for yielding to our demands in the vegetable kingdom.” Even when disaster struck the rest of the nation, God spared Oregon: “Last year many of the states suffered by drouth, wind and storms, while Oregon was blessed with a bountiful harvest.”<sup>33</sup> The Grangers looked especially favorably upon eastern Oregon. Governor L.F. Grover, who took up the Granger cause in the 1870s called the area east of the Cascades “the greatest and most productive of the unoccupied grain-producing countries of the world.”<sup>34</sup> That corporations like the OSN and the OR&N had tried to corrupt this promised land was, according to the Granger ideology, sacrilegious.

Complimenting the booster myth of the Garden was the myth of the frontier. The Grangers appropriated the frontier and turned it too, to their political advantage. As frontier settlers, they argued, they were the ones who should reap the rewards of bringing civilization to this savage land, not the venal corporations who would only bring ruin to the paradise the settlers had made. An address by the head of the order in 1889 spelled out this frontier critique. “We are almost exclusively an agricultural people,” the lecturer began, “ours is the dominant interest, to which all others are incident.” Next to this typical idealization of the yeoman, he drew a picture of western history in decline. Speaking of the OR&N at the Cascades, he told his audience that “in the few years since these hills and valleys have been occupied by a civilized people, some who were so fortunate as to sit down in the gate through which our commerce must pass have been able to gather great fortunes by taxing our outgoing and incoming commerce.” But these men, he argued were not the true inheritors of Oregon’s promise. “We must not suffer

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<sup>32</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1884), pp. 29.

<sup>33</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1891), pp 10.

<sup>34</sup> Governor Lafayette Grover, “Biennial Message of Gov. L.F. Grover to the Legislative Assembly of the State of Oregon, Ninth Regular Session,” *Journal of the House, Ninth Regular Session*, 1876 (Salem, Oregon: State Printer, 1876), p. 50.



others to govern this land which we have redeemed from the wilderness,” he urged his listeners, the land “where we have planted our homes for ourselves and our children.” The men who sought to conquer this Eden, the bankers and bond holders, “all aliens and strangers to our sympathies ... must not be allowed to despoil us of our inheritance.”<sup>35</sup> Oregon was, but a generation ago, and still in some places, a wilderness. Because they had been the ones to tame the wilderness, to bring it into civilized production, the Grangers claimed that Oregon farmers had the only legitimately claim on the fruits of that labor. The literally demanded their inheritance as the sons and daughters of this Promised land.

A crucial ingredient of Granger geography was the rivers of the Northwest, what Governor Grover called “nature’s highways—the God-given arteries of commerce”<sup>36</sup> Rivers tied the ideology of the Grange together. They were evidence of Nature’s beneficence and God’s design in the Oregon country, the artery of agricultural commerce, the mechanism for the growth of an industrious people, and the tool that corporations used to oppress those industrious people. In Oregon, the Columbia was the epitome of such a geographical dilemma. The Grangers wrote often about the “great Columbia River [which] drains a vast field of fine agricultural land, and also an immense amount of the finest grazing land in the world.”<sup>37</sup> Somehow the tremendous size of the river proved the immense fertility of the landscape it watered. Only a great and fertile region would be drained by such a magnificent waterway. But the Columbia was more than simple proof of the region’s fertility, it was also the mechanism for bringing that fertility to civilization, in the form of produce, and for cultivating civilization in the wilderness. The Columbia was both “the natural thoroughfare for the products for the great Columbia

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<sup>35</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1889), pp 20–21.

<sup>36</sup> “Biennial Message of Gov. L.F. Grover to the Legislative Assembly of the State of Oregon, Eighth Regular Session,” *Journal of the House, Eighth Regular Session, 1874* Salem, Oregon, State Printer, 1874, pp. 58–59.

<sup>37</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1875).

Valley,” as well as “the only means of transportation of products of a large and intelligent and industrious people to market”<sup>38</sup>

If God and nature had blessed this landscape, so too had corporations corrupted it. The Grangers brought their ideological critique to bear on the corporate control of the river that both the OSN and the OR&N had worked so hard to construct. “The Columbia River,” wrote the Grangers in their first annual convention proceedings, “by reason of certain natural obstructions, has fallen under the control of a grinding and oppressive monopoly to the great detriment of the interest of the people.”<sup>39</sup> During the 1870s, the Grangers complained bitterly about “the O.S.N.Co., an oppressive monopoly, which for years past has extorted exorbitant rates of freight from our brethren East of the Cascade mountains [which caused] unbearable oppression.”<sup>40</sup> When Villard purchased the OSN and the company’s rights at the Cascades, the Grangers aimed their critique at the “Oregon Railway and Navigation Company that ... has secured the use of the pass through the Cascade Mountains, formed by the Columbia River between Portland and The Dalles ... acquisitions which give to that corporation ... a power of extortion and oppression over the productive industries of the valley of the Columbia River, which cannot be safely entrusted to private interests.”<sup>41</sup> Monopolies had in effect gone against God’s will by “preventing the natural development of the resources of this great valley”<sup>42</sup>

Because rivers were all these things at once, the Grangers felt that government protection of them was essential. Their very existence demanded government intervention. “The control of this great waterway should be taken from the grasp of monopoly,” the Grange Proceedings argued in 1886, “no corporation should be allowed to shackle the people or place a barrier across their public thoroughfare.”<sup>43</sup> The farmers argued that the rivers were Nature’s bounty, they were of the land, and therefore of the people. The private control of a river, the argument went, was against natural law. In

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<sup>38</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1875), first quote; *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1873), second quote.

<sup>39</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1873).

<sup>40</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1876).

<sup>41</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1881), p. 13.

<sup>42</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1875).

<sup>43</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1886), p. 16.

addition, the Grangers argued that it was “the duty of the State to furnish public highways for the people. This duty has always been recognized by civilized nations.”<sup>44</sup> The public nature of the river demanded state protection. So the call went out among the Patrons of Husbandry that “Nature’s great waterways should be improved, and made a common highway, and open for competition among carriers.”<sup>45</sup> The open river movement became an essential part of the agrarian critique, based as it was on their religious notions of geography and the insistence that corporations had corrupted the law.

All of the Granger critique, not just that associated with rivers, pointed to state intervention. But Grangers were farmers, not politicians. They justified political action with their assertion that agriculture was the foundation of a democratic society. Democracy had been corrupted by corporations who had hijacked the legislative process and illegitimately turned the laws in their favor. Therefore, the laws of the state must be turned in favor of the only legitimate source of wealth, agriculture. As the Grange argued, because farming was “the foundation of all wealth ... agriculture should be fostered by friendly legislation, .... It is also the special duty of the nation and state to guard this great industry, so essential to all general prosperity, against encroachments by corporations and associations of men who seek to levy unjust taxes on its productions.”<sup>46</sup> Like much of the Oregon State Grange critique, nowhere was state protection more important than in the Pacific northwest where god had “ordained conditions of soil and climate [to make] agriculture and pastoral pursuits the chief occupations of the greatest number of the inhabitants of Oregon, Washington and Idaho.” Because of this natural proclivity, this Manifest Destiny of the region, farming was “entitled to all the aid and care legislation can give.”<sup>47</sup>

Another aspect pointing to state intervention, according to the Grange, was the fact that Corporations themselves were creatures of the law and therefore ultimately answerable to it. R.P. Boise, who was “Worthy Master” or head of the Oregon State

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<sup>44</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1884), p. 12.

<sup>45</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1889), p. 75.

<sup>46</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1885), p. 6.

<sup>47</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1884), pp. 29.

Grange from 1880 through 1887, and then again from 1892 to 1893 explained the ultimate supremacy of the legislature. Corporations, he argued “have been created by legislative authority,” therefore, “the legislature should control their actions in so far as to make them useful, not harmful, to the commonwealth. Whenever they become harmful to the public they should cease to exist, and stringent laws should be made and enforced, requiring the forfeiture of their charters whenever they abuse their privileges.”<sup>48</sup> According to this theory, transportation corporations were special legal entities that had even greater responsibilities to the public. Transportation corporations performed a public duty and are therefore subject to some amount of oversight. And railroads, because their right of way was either given from the public domain or appropriated from private landholders, were especially beholden to public interest. When the state granted railroads their rights of way, it did not intend, nor was it even legally possible “to vest in such corporation a simply private right, to be exercised by the corporation for a private purpose” as Boise argued in his 1884 annual speech to the membership. Such “power of granting [a simple] right of way to a private corporation, cannot be lawfully exercised by the State, for it is a fundamental principle guaranteed by the Constitution, that private property cannot be taken except for public use. So these railroads are public highways as much as turnpikes and ferries and are as much subject to control by state laws”<sup>49</sup>

With their right to regulate the railroads secure, the Grange turned its sights on what its members had long thought was the most despicable actions of the corporations: rate discrimination. The issue of rate discrimination was a popular one for agriculturalists throughout the country, but today the concept seems confusing. When the Grange criticized rate discrimination they criticized freight rates that were less for long-hauls than for short hauls. For instance, it cost more for a farmer Wallula, a station on the main Northern Pacific trunk line, to send his grain direct to Chicago. Instead, the rates favored shipping the westward to Portland, and then eastward, *along the same road*, to Chicago. Similarly, goods from Chicago traveling on both the OR&N and the NPRR, received

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<sup>48</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1886), p. 12.

<sup>49</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1884), p. 12.

lower rates to Portland, than to less-distant, interior depots. The economics of this are fairly simple. The roads slightly discounted these long-hauls so as to have as much freight occupying the trains as possible on longer, more costly journeys. But to the farmers, it seemed as if the railroad managers were playing God and rejecting the “natural” economic geography of the region. “Even the wool of Eastern Oregon,” the Grange declared in 1885, “graded, baled and ready for shipment from a warehouse at The Dalles, had to be shipped to Portland before it could go over the N.P.R.R. to Boston. Merchandise by the car load destined to Eastern Oregon and Washington from the eastern states has to go through to Portland and be returned again by the O.R.& N. Co. and N.P. to the localities through which it passed.” The members of the Oregon State Grange maintained that “these unjust and oppressive discriminations have paralyzed ... our farms ... and laid a heavy burden on the profits of our industry.”<sup>50</sup> The Patrons urged the state’s politicians to redress this ill and pass legislation that would end these unnatural rates. Let us now turn to the realm of politics to see how this political ideology played out.

### **Fruits of their Labor: Results of Granger Agitation**

These two things, river improvements and transportation regulation became the legislative battle cry for politicians endorsed by the Grange. Although the Patrons of Husbandry worked tirelessly to build these visions into law, the results were mixed at best. They were, as we will see, fairly successful in electing sympathetic governors and legislators to state office. But the results of these public servants never lived up to their campaign promises. In response to the political agitation of the Grangers, owners and managers from both the OSN and later the OR&N met the rural critiques with their own intense lobbying efforts, some of which blur the line between lobbying and outright corruption and bribery. The corporations were also aided by the federal courts who consistently sided with the corporations when so-called “Granger laws” came up for judicial review. But here the questions of corruption and collusion are more murky. Judge Matthew Deady, who presided over the U.S. District Court in Oregon was a business

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<sup>50</sup> *Proceedings of the Oregon State Grange, Patrons of Husbandry* (1885), pp 11–12.

associate with the OSN managers and an outright stockholder in the OR&N. Yet these facts point more to a conflict of interest than to the ability of the corporations to control Deady. His decisions were based on sound legal theory, and at least one of case became a precedent used by the Supreme Court when it ruled on cases involving interstate commerce. At worst, historians can accuse Deady of twisting the law in the favor of capital because he believed, unlike the Grangers, that corporations brought progress and civilization to the region.

Grangers fared the best in direct elections. Two governors in particular worked for legislation for an open river and railroad regulation. Democratic governor LaFayette Grover, was governor from 1870 through 1877, and was an advocate for state and federal appropriations to build a ship canal at the Cascades. But the most outspoken advocate of the Granger cause was Sylvester Pennoyer, a Democrat turned Populist party politician who sat in the governor's office from 1887 through 1895. Pennoyer's legislative and legal theory stemmed directly from the Grange movement. And it was during his administration that the legislature passed the most sweeping regulatory bills. However, Pennoyer was unable to protect most of that legislation from the onslaught that was Deady's court.

Little has been written about LaFayette Grover. As a Salem businessman, he had been a member of the political elite since early statehood. He was the Oregon's first elected representative in Congress, and after he served as governor, he became one of the state's senators. He had had a hand in writing the Oregon constitution—a document that was suspect of corporations because, as historian David Allen Johnson notes, the constitution was written from an agrarian perspective.<sup>51</sup> As governor, Pennoyer was most notable for his power struggle with the City of Portland over its police force.<sup>52</sup> But it was also during his tenure that Congress passed appropriations for the Cascade Locks.

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<sup>51</sup> See David Alan Johnson, *Founding the Far West: California, Oregon, and Nevada, 1840-1890* (Berkeley: University of California Press, 1992), and E. Kimbark MacColl and Harry Stein, *Merchants, Money, and Power: The Portland Establishment, 1843-1913* (C.P.N.G.: The Georgian Press, 1988), p. 92

<sup>52</sup> E. Kimbark MacColl and Harry Stein, *Merchants, Money, and Power: The Portland Establishment, 1843-1913* (C.P.N.G.: The Georgian Press, 1988), p. 168-69.

Agitation for the locks began in the Oregon legislature. The legislature recognized that bypassing the OSN stranglehold on the Cascades would require a series of canals and locks, a project that was simply beyond the state's budget. As early as 1868, the State Senate had sent memorials to Congress pleading for their help in effecting "the removal of those obstructions, of the effecting of continuous water communication between Portland ... and The Dalles."<sup>53</sup> Grover, who in the late 1860s had become a Portland businessman, wanted to see the freight and traffic of the Columbia open up to competition, as the OSN had used their power at the Cascades to effect a monopoly over warehousing in Portland. When he ran for governor, he promised to open the river to competition. In his first message to the state legislature, he urged the legislature to continue in its quest for congressional aid. He also worked with the U.S. Senators from the state to press Congress into action. The newly created Army Corps of Engineers finally performed preliminary surveys of the Cascades in 1874 and 1876, both of which recommended two ship canals—one at the Cascades and one at The Dalles to "throw the entire river open to competitive navigation." For even Corps agreed that "the whole of the navigation of the Upper Columbia and the Snake rivers is now in the hands of a single company."<sup>54</sup> Senator John H. Mitchell who had yet to become counsel for the OR&N, and was allied with OSN competitors denounced the company in the U.S. Senate. Mitchell was a mouthpiece for the Willamette River transportation magnate Ben Holladay, and it must have seemed ironic to the Grangers that he was their champion in the national legislature. Yet Mitchell's language parallels that of the Grange proceedings. "Never in the history of this or any other country, was any natural highway, much less one of the grand proportions of the great Columbia, held so exclusively, so mercilessly, and so regardlessly of the rights of the people in control of unyielding corporate

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<sup>53</sup> State of Oregon, General Laws of the State of Oregon, 1868 (Salem, Ore.: State Printer, 1868), p. 135.

<sup>54</sup> U.S. Army Corps of Engineers, Annual Report of the Chief of Engineers (Washington, D.C., 1878), p. 1344. For a broader discussion of the role of the Army Corps of Engineers in Oregon see William H. Goetzmann, *Exploration and Empire: The Explorer and the Scientist in the Winning of the American West* (New York: Alfred A. Knopf, 1966); and William Willingham, *Army Engineers and the Development of Oregon* (Washington, D.C., 1983). My discussion of the role of the Corps of Engineers is based on William Willingham, "Engineering the Cascades Canal and Locks," *Oregon Historical Quarterly*, 88 (Fall 1987): 229–257.

rapacity,” Mitchell fumed from the Senate floor. The OSN “preys upon the producers of Oregon, Washington, and Idaho with a relentless hand; and its exchequer overflows with revenues wrong from the people of the great Northwest.”<sup>55</sup>

The idea of a ship canal at the Cascades horrified the directors of the OSN, although John C. Ainsworth and the rest of the OSN board had pressured the Corps of Engineers to remove obstructions from the farther reaches of the upper Columbia. In a letter to the corps, Ainsworth sounded almost the Granger when he wrote “*Cheap freight* is of the first importance to an agricultural country.”<sup>56</sup> Of course, the tributary streams of the upper Columbia were not the Cascades. When presented with the possibility of a canal to by-pass the OSN portage roads, Ainsworth tried to use his contacts in Washington to block the proposal. “I see by telegraph report that the Congressional committee have recommended an appropriation of \$50,000 to commence the construction of Locks at the Cascades of the Columbia,” Ainsworth told Jay Cooke in 1876. “If this appropriation is made, I fear it will be followed up by state aid through the influence of ‘Grangers’. I give the impression here that such an improvement would not interfere with our interests, but the fact is it would seriously damage the O.S.N.Co. and render useless a large amount of its property.” Ainsworth finished his missive with a request for Cooke urge “some of your friends in Washington to kill this item.”<sup>57</sup>

That year, 1876, Congress appropriated \$90,000 to begin work on a canal and series of locks at the Cascades, which the Corps of Engineers quickly inherited. Major John Wilson, the engineer officer in charge in Portland officially oversaw the construction, but Major Nathaniel Michler did most of the surveying. In February 1877, Wilson presented Michler’s final construction plan as modified by the regional board of engineers for the Pacific Coast in San Francisco. The plan, which called for a two-lock

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<sup>55</sup> Speech of Senator John H. Mitchell, 29 May 1878, from “Speeches of Hon. John H. Mitchell,” National Archives Record group 77, Records of the Chief of Engineers, quoted in William F. Willingham, “Engineering the Cascades Canal and Locks, 1876–1896,” *Oregon Historical Quarterly* 88, no. Fall (1987): 232.

<sup>56</sup> U.S. Army Corps of Engineers, Annual Report of the Chief of Engineers (Washington, D.C., 1867), pp 509–11.

<sup>57</sup> John C. Ainsworth to Jay Cooke, 4 April 1876 in John C. Ainsworth Collection, vol. 2, Letters Sent, 1874–1880. Division of Special Collections & University Archives, University of Oregon.



canal 8 feet deep, 50 feet wide, and 7200 feet long. Michler and Wilson estimated the total price for the “improvement” to be \$1.7 million. That estimate, however, proved incredibly optimistic. When the canal first opened, in an unfinished state in 1896, 20 years after the first congressional appropriations, the government had spent nearly \$3.8 million on the project. A record flood in 1894 had demonstrated the inadequacy of the original design, and Congress gave the project an additional \$318,573, making the total expenditure on the locks and canal, without operating costs over \$4.1 million.

The canal took over two decades to complete, but trouble began early when the government tried to obtain from the OSN the land necessary for the improvements. It took a full two years just to obtain the right of way for this government funded project. When Major Wilson, in theory in charge of construction, notified the OSN managers of the government’s intentions, the company balked. Wilson asked the company to sell him 47.32 acres of their riverfront property. The company responded by setting the price at \$200 per acre, which is actually quite reasonable given the land’s market value, but it also demanded a reservation for a railroad right-of-way across the property. The last clause was immediately rejected by the Secretary of War who ordered Wilson to institute condemnation proceedings. A complex negotiation ensued and then fell apart, and the two parties went to court. When the matter went to a jury they valued the land at \$7500, and title passed to the Corps in October 1878.<sup>58</sup>

It was an inauspicious beginning for such a promising project. It soon became bogged down in a nightmarish series of contractor disputes, labor troubles, design flaws, lack of congressional funds, and, most of all, a general lack of understanding on the part of the Corps of the sheer magnitude of the project. All the while, the owners and managers of first the OSN, and then the OR&N could only sit by anxiously. Of course, the companies did register a profit for freighting the construction material as well as the workers, both of which had to be shipped from Portland.

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<sup>58</sup> See U.S. Army Corps of Engineers, *Annual Report of the Chief of Engineers* (Washington, D.C., 1878), pp. 1335–36; U.S. Army Corps of Engineers, *Annual Report of the Chief of Engineers* (Washington, D.C., 1879), pp 1790–91; and *Oregonian* 8 January 1878. See also William F. Willingham, “Engineering the Cascades Canal and Locks, 1876–1896,” *Oregon Historical Quarterly* 88, no. Fall (1987): 233.

Although the Cascades canal took much longer than anticipated, the delay had the fortunate effect, from the perspective of the Grangers, of galvanizing opposition against the railroads, who were seen as blocking the construction. By the late 1880s, some ten years after the first congressional appropriation, engineers had finished only about a third of the entire canal. Democratic gubernatorial candidate Sylvester Pennoyer capitalized on the overwhelming wave of popular sentiment against the OR&N, who had since purchased the rights to the portages. Pennoyer had come to Oregon in the 1850s, as a 24 year-old Harvard Law School graduate. William S. Ladd and Henry Corbett, then just inaugurating their tenure as member of the Portland elite, had hired Pennoyer as the first public school teacher in Portland. Thirty years later, he had risen on a tide of anti-corporate and anti-Chinese rhetoric to become the state's Governor.

Pennoyer's campaign slogan, "Free Rivers, Free Soil, Free Labor," referenced everything Oregonians—both rural, and with the addition of the "Free Labor" rhetoric, working class—felt was wrong with corporations. According to the reform minded Portland *Daily News*, Pennoyer's election was "an uprising of the people against ring-rule and monopoly oppression."<sup>59</sup> Pennoyer's wide-spread appeal lay in his ability to link monopolies with the public opposition to Chinese labor. He was against "the Chinese but also 'monopolies' whose power largely rests upon the utilization of coolie labor. They are the twin children of despotism and oppression tied by an umbilical cord, a severance of which will result in the death of both. ... [he challenged ] the ultimate relation between the great monopolies of the Pacific Coast and the system of serf labor by which they have been built up."<sup>60</sup>

Pennoyer's calls for a free river and free soil were reference to both the problem of the Cascades, which voters attributed to the OR&N and the issue of railroad land grants, like that of the Northern Pacific which had locked up huge tracts of public land and removed it from the normal homestead law provisions. Pennoyer represented the

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<sup>59</sup> Portland Daily News, 1 July 1886.

<sup>60</sup> Portland Daily News, 26 June 1886. For Pennoyer's platform and that of his Republican opponent, see *Oregonian* 29 April 1886, 5 May 1886; and Portland Daily News, 18 May 1886. For an account of Pennoyer's election, see Margaret Kolb Holden, "The Rise and fall of Oregon Populism: Legal Theory, Political Culture and Public Policy, 1868–1895," (Ph.D., University of Virginia, 1991), pp. 406–414.

electoral victory of a decade-long struggle by the state legislature to gain ascendancy over transportation corporations. A political battle which shifted Democrats like Pennoyer toward the side of “reform.”<sup>61</sup>

The battle itself was over the right of the legislature to regulate the freight rates of transportation corporations. Initial agitation for transportation legislation had begun as a response to the OSN monopoly along the Columbia and the Peoples Transportation Line control of the Willamette River. In 1872, the state legislature considered a bill to regulate tolls on steamboats and railroads, but the bill failed.<sup>62</sup> Rate legislation then centered not on the OR&N, but rather on the Willamette valley railroad monopoly held first by Ben Holladay and then by the Villard interests. In 1874 and 1876, Lafayette Grover had called upon the Salem legislators to pass a law setting “a reasonable maximum of rates” to protect not farmers, but rather, “the interests of merchants, millers, and shippers” against rate discrimination.<sup>63</sup> Despite calls from the governor, reform and regulation bills languished in committees. In 1874, the House sponsored two bills that sought to regulate freight rates, neither of which even made it to a vote.<sup>64</sup> In 1876, a bill that sought to end “unjust discrimination and extortion” likewise never came to a vote, nor did a bill to establish a joint-committee on railroad rate legislation.<sup>65</sup> In 1878, the legislature began to shift its regulatory gaze to include the corporations on the Columbia River. Lawmakers considered six bills on internal improvements like that along the Columbia River, six

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<sup>61</sup> Margaret Kolb Holden, “The Rise and fall of Oregon Populism: Legal Theory, Political Culture and Public Policy, 1868–1895,” (Ph.D., University of Virginia, 1991), p. 309.

<sup>62</sup> See *Journal of the House, Seventh Regular Session, 1872* (Salem, Oregon: State Printer, 1872), p. 289. The documentation for legislative debates in the Oregon State Legislature is rather incomplete. The Journals of both the House and Senate are not word-for-word records of the debates heard in each chamber. Instead they record the names of bills brought to a vote, and the subsequent votes of the legislators. Occasionally, the Journal will include a committee report on a bill, but in general the texts for failed bills is not recorded.

<sup>63</sup> See Governor Lafayette Grover, “Biennial Message of Gov. L.F. Grover to the Legislative Assembly of the State of Oregon, Eighth Regular Session,” *Journal of the House, Eighth Regular Session, 1874* (Salem, Oregon: State Printer, 1874), pp. 55–56; and Governor Lafayette Grover, “Biennial Message of Gov. L.F. Grover to the Legislative Assembly of the State of Oregon, Ninth Regular Session,” *Journal of the House, Ninth Regular Session, 1876* (Salem, Oregon: State Printer, 1876), p. 55.

<sup>64</sup> *Journal of the House, Eighth Regular Session, 1874* (Salem, Oregon: State Printer, 1874), pp. 289, 294.

<sup>65</sup> *Journal of the House, Ninth Regular Session, 1876* (Salem, Oregon: State Printer, 1876), p. 624, quote; on a joint-committee on railroads see p. 556.

joint memorials to Congress requesting aid for improvements, three canal measures, and two corporate rate bills.<sup>66</sup> Two of those bills were aimed specifically at the OSN monopoly on the Columbia River. House Bill 177 introduced by the representative from Umatilla country, intended to prevent “unjust discrimination and oppressive charges by the owners of railroads which are less than twenty miles in length.” Similarly, House Bill 29 sought to set maximum rates for water transportation.

These bills failed for a number of reasons. Many met the opposition of legislators who simply felt their provisions were constitutionally flimsy, or their reasoning a bit simplistic. However, there is evidence that the OSN owners and the managers of the Villard interests in the 1870s used both moral suasion as well as outright bribery to defeat many of these bills.

The corporate managers kept a close watch on the legislature. “Our legislature that is now in session are [sic] disposed to pass all kinds of oppressive laws in reference to rail roads,” Ainsworth complained to C.B. Wright of the Northern Pacific in 1874.<sup>67</sup> At the same time that the OSN management was devising a strategy to defeat the Grangers, Villard’s interests were also keeping close tabs on the bills that threatened regulation. Joseph N. Dolph, who would later act so ably to protect the OR&N in the 1880s, led the fight in Oregon on behalf of Villard’s interest in the 1870s. Dolph suggested that Villard, at this time President of the Willamette Valley Railroads, should hire “some discreet person or persons who should be present at the capital ... [who] would bring out and cause to be felt the influence of our friends and of other corporations and business interests. ... I believe with proper effort all the legislation hostile to the Railroad Companies can be prevented.”<sup>68</sup>

By 1878, Dolph was advocating cash outlays. When state representatives introduced House Bill 45—to regulate freight rates—and House Bill 49—to outlaw rate

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<sup>66</sup> See *Journal of the House, Tenth Regular Session, 1878*; and *Journal of the Senate, Tenth Regular Session, 1878* (Salem, Oregon: State Printer, 1878).

<sup>67</sup> John C. Ainsworth to C.B. Wright, 10 October 1874, in John C. Ainsworth Collection, vol. 4, Letters Sent, 1873–1875. Division of Special Collections & University Archives, University of Oregon.

<sup>68</sup> J.N. Dolph to Henry Villard, 1876, in Henry Villard Business Papers, box 89, folder 649. Baker Library, Graduate School of Business Administration, Harvard University.

discrimination Dolph suggested a combination with the OSN, who, he claimed, were ready to help, “but their assistance owing to the great prejudice against them is a very delicate matter.” He went on to ask Villard “whether you are willing to spend money” to defeat the bills.<sup>69</sup> When Villard agreed to the expenditures, Dolph met with Ainsworth. The attorney reported to Villard that Ainsworth was “indeed earnest to defeat all hostile legislation and will expend all that is necessary to do so. He was very emphatic in saying that you ought to authorize an expense on your part from one to three thousand.” Dolph seconded Ainsworth’s suggestion for outright cash, but wrote that “I felt great delicacy in telegraphing that to you...and would much rather any expenditure to be made it would be wholly through some other channel than myself.”<sup>70</sup> Apparently, the Portland attorney favored a more discreet method of bribing the senators than a handout from Dolph himself.

The first serious challenge came in 1880, just as the OR&N had secured its monopoly on Oregon transportation. Robert Clow, a Granger, introduced a bill for the interchange of traffic by common carriers.<sup>71</sup> The bill would have required all railroads to accept any freight or passengers from any other railroad adjacent to their line. Thus, if a smaller road wanted to build a feeder road to the main OR&N trunk line, the OR&N would be required to carry traffic from that road without preference or discrimination. The total cost would then be split by the two companies according to the miles traveled. Starting with the notion that railroads were public highways, Clow argued that once built, travel along them should be closely regulated by the states, and “all attempts of corporations to pretend to exclusive rights over railroads” should be defeated.<sup>72</sup> The bill, according to Clow, would protect the smaller independent lines from being swallowed up by the Villard interests, and such competition would therefore naturally keep rates low.

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<sup>69</sup> J.N. Dolph to Henry Villard, 25 September 1878, in Henry Villard Business Papers, box 89, folder 650. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>70</sup> J.N. Dolph to Henry Villard, 1 October 1878, in Henry Villard Business Papers, box 89, folder 650. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>71</sup> Journal of the Senate, Eleventh Regular Session, 1880 (Salem, Oregon: State Printer, 1880), pp. 246–250. Clow’s bill is one of the only bills in either the Senate or House Journals from the period to *Register* the reports of the legislative committees that reviewed the bill.

<sup>72</sup> Journal of the Senate, Eleventh Regular Session, 1880 (Salem, Oregon: State Printer, 1880), pp. 246–250.

The bill failed for a number of reasons, not the least of which it was not sophisticated enough to spell out a mechanism for organizing all this interchanging traffic.

In the winter of 1885, the Grangers scored their first regulatory victory. The legislature convened in January to determine who would be U.S. Senator. Normally, lawmakers met in the fall but political intrigue had so confounded the election that a special session was needed.<sup>73</sup> Republican Governor Zenas F. Moody, elected on the vague promise of “reform” echoed the now familiar calls to end “discrimination in rates of transportation [that] may build up or destroy cities and agricultural communities” on the basis of bald “favoritism.”<sup>74</sup> The legislature debated eight different regulatory measures that session including a bill to establish a railroad commission with broad regulatory powers, which ultimately failed.

Although many of the regulatory bills in the 1885 legislature met defeat, one bill did become a law. Enoch Hoult, a Granger who had been pushing regulatory bills throughout the 1880s set forth a bill that set maximum freight rates and outlawed discrimination.<sup>75</sup> A violent debate erupted in the legislature. On the one side were the Grangers who held that corporations, as legal entities created by the legislature, were subject to all reasonable regulation by that body. On the other side were those who argued that “the chartered rights of the companies could not be violated.”<sup>76</sup> After some compromise, the bill passed. In its final form, it set passenger fares at no more than four cents, and demanded that freight rates would not exceed that charged on 1 January 1885. It also outlawed the pooling of freights and division of earnings by “competing” lines, which amounted to price fixing. Finally, it provided that “it shall be unlawful for any

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<sup>73</sup> See E. Kimbark MacColl and Harry Stein, *Merchants, Money, and Power: The Portland Establishment, 1843–1913* (C.P.N.G.: The Georgian Press, 1988), pp. 244–46.

<sup>74</sup> “Message of Gov. Z.F. Moody to the Legislative Assembly of the State of Oregon, Special Session, 1885,” *Journal of the House, Special Session, 1885* (Salem, Oregon: State Printer, 1885) p. 23.

<sup>75</sup> *Journal of the Senate, Special Session, 1885* (Salem, Oregon: State Printer, 1885), p. 113.

<sup>76</sup> *Oregonian*, 29 January 1885.

[railroad to] charge or receive greater compensation for ... a shorter than a longer distance in the same direction,” thus addressing the problem of rate discrimination.<sup>77</sup>

Reform newspapers reacted to the passage of the Hoult bill with outright glee. The *Oregon Vidette and Antimonopoly* wrote that the legislature had finally asserted its legitimate rights over the corrupt railroad men. A writer for the paper optimistically predicted that “should any hired or bribed official, in ermine or in uniform, seek to annul the [Hoult] law, he should be treated as an enemy of the people.”<sup>78</sup> The more conservative *Oregonian* was more circumspect. Although the Hoult bill successfully asserted the state’s authority over transportation corporations, the editor proclaimed that the bill itself was woefully naïve: “a premature, ignorant and vicious effort to burden the railroads half-built and already struggling under financial difficulties.”<sup>79</sup>

### **From Fertile Soil to Barren Fields: Regulatory Law and the Court**

It was not long before the law wound up in court. Richard Koehler, a former managing director the Oregon & California Railroad, who had become that road’s court appointed receiver, petitioned the U.S. Circuit Court for instructions on how to proceed with the Hoult act now law. Judge Matthew Deady used the case as an opportunity to spell out what he believed were the constitutional limitations of rate regulation like that contained in the Hoult Act. In *Ex Parte Koehler, Receiver*, Deady both gutted the Hoult Act and set forth important constitutional precedents that subsequent pro-business judges would use in the late nineteenth-century.

First Deady distinguished the Oregon Case with the so-called “Granger Cases” in which U.S. Supreme Court held that maximum rate laws, in this case in Illinois, had to be reviewed or reversed at the ballot box, not in the courts. Deady maintained that Oregon’s constitution set forth a unique notion of corporate rights that, in the case of threats to those rights, demanded judicial review. The constitution (which Deady played a major

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<sup>77</sup> “An Act to Regulate the Transportation of Passengers and Freight by Railroad Corporations” 20 February 1885, in State of Oregon, *General Laws of the State of Oregon, 1885* (Salem, Oregon: State Printer, 1885), p. 39.

<sup>78</sup> *Oregon Vidette and Antimonopoly*, 25 June 1885.

<sup>79</sup> *Oregonian*, 3 March 1885.

role in writing—some historians argue that he penned most of the document) was somewhat contradictory. On the one hand, all charters passed under the general incorporation law could be “altered, amended, or repealed” by the legislature, “but not so as to impair or destroy any vested corporate right.” On the other hand, the State constitution proclaimed that transportation companies “shall have power to collect and receive such tolls or freights for transportation of persons or property thereon as it may prescribe.”<sup>80</sup> A railroad’s right to determine their own rates, Deady reasoned, was a vested one, but it was not absolute. Legislative acts could set reasonable rates, but could not force a “corporation to accept less than reasonable compensation for its services.” Deady noted that “while the presumption may be ... that any rate which the legislature may prescribe is a reasonable one, such a presumption is not conclusive.”<sup>81</sup> Hence, the legislatures regulatory powers were not absolute either. Thus, Deady reasoned, the Oregon case, unlike that in Illinois, demanded judicial review.

The crucial difference between the Oregon law and the law reviewed by the Supreme Court in the “Granger Cases” was that the Oregon constitution limited the ability of the legislature to regulate corporations, whereas the Illinois constitution granted, in Deady’s words “unqualified power” to the legislature in the realm of corporate regulation. Deady extrapolated on the ruling of the Supreme Court, which secured the right to regulate corporations. Even if the legislature passed a law which meant that “the business and the property of the shareholders was thereby destroyed,” the corporations, according to Deady, “must blame themselves for engaging in a corporate enterprise under such precarious conditions.”<sup>82</sup>

With his right to review the law established (he was after all contradicting the U.S. Supreme Court), Deady turned to the provisions of the law itself. On the issue of rate discrimination, Deady severely restricted the law’s import. “I assume the state has

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<sup>80</sup> “Of Private Corporations—Their Formation and the Appropriation of Land for Corporate Purposes” 14, October 1862, in State of Oregon, *Organic and Other General Laws of Oregon: Together with the National Constitution, and other Public Acts and Statutes of the United States, 1843-1872* (Salem, Oregon: State Printer 1874).

<sup>81</sup> *Ex Parte Koehler, Receiver*, 23 Fed. 529 (Circuit Court District of Oregon, 4 May 1885), pp. 530–31.

<sup>82</sup> *Ex Parte Koehler, Receiver*, 23 Fed. 529, pp. 530–31.



the power to prevent a railway company from discriminating between persons and places for the sake of putting one up or another down,” Deady wrote, “such discrimination ... is a wanton injustice.” But, Deady maintained, “where the discrimination is between places only, and is the result of competition with other lines ... the case was different.” Discrimination in the case of Koehler’s O&C was “the necessary result of circumstances altogether beyond its control. It is not done wantonly ... but only to maintain its business against the rival and competing lines of transportation.”<sup>83</sup> Competing against a number of steamboat operators, the O&C, Deady argued, had to be more flexible in its rate schedules, or the road would “go to rust.”<sup>84</sup> Competition, the judge argued, justified rate discrimination. When it came to pooling, Deady argued that the prohibition of such acts did not apply to the O&C. Furthermore, Deady questioned “how a division of the earning of two ... roads can concern or affect the public” in the first place, thus inviting a corporate challenge on the issue of pooling.<sup>85</sup>

Deady’s ruling, which he followed up five months later in another case involving the O&C, severely limited Oregon’s right to regulate corporations.<sup>86</sup> Koehler was a federal receiver of the O&C, so rather than go through the appellate process in the State of Oregon, the case first came up for review in the federal courts. This fact allowed Deady to use the federal court to restrict the state’s right to regulate freight rates and fares, and thus make the federal court, not the state court, the ultimate arbiter in subsequent cases. The reasons for this are many. Historian Margaret Holden argues that Deady was part of a larger movement to centralize federal power after the Civil War, and many of Deady’s decisions did tend to take regulatory power away from the state.<sup>87</sup> Yet those decisions also had the tendency to draw very wide margins for what was legitimate corporate power. In the case of transportation, Deady had a fairly serious conflict of interest, with over \$20,000 invested in railroad securities alone. But to say that Deady

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<sup>83</sup> *Ex Parte Koehler, Receiver*, 23 Fed. 529, pp. 531–32.

<sup>84</sup> *Ex Parte Koehler, Receiver*, 23 Fed. 529, pp. 533.

<sup>85</sup> *Ex Parte Koehler, Receiver*, 23 Fed. 529, pp. 534.

<sup>86</sup> The second case, referred to as *Ex Parte Koehler* 25 Fed. 73 (Circuit Court District of Oregon, 8 October 1885), re-stated Deady’s arguments for the long and short haul provision, see pp. 75–76.

<sup>87</sup> See Margaret Kolb Holden, “The Rise and Fall of Oregon Populism: Legal Theory, Political Culture and Public Policy, 1868–1895” (Ph.D. University of Virginia, 1993).

was simply a stooge for corporate capital simplifies the matter far too much. Rather, it seems more likely that he had a firm belief in the link between corporate success and the greater economic success of far-flung regions like the Pacific Northwest. Like the railroad managers and owners, Deady believed that progress came not solely from the hard work of the region's husbandmen, but also from the success of corporate capital, for only they held the resources that could link distant Oregon with the rest of the world's markets.

It seems clear the Deady's rulings were about more than just federal power. After Congress passed the Interstate Commerce Act in 1887, Deady also had the opportunity to assess that law, again as a result of two separate petitions brought by Richard Koehler on behalf of the O&C. Ruling on the long and short haul provisions of the Interstate Commerce Act, Deady again argued that market competition, not state regulation, should determine railroad rates. Where competition existed, he maintained, rules limiting the ability of a railroad to set its own rates were an attack on the vested rights of the corporation, even if that corporation appeared to discriminate in favor of long over short hauls. Competition, more than federal power, was the ideology driving Deady.<sup>88</sup>

By the time Sylvester Pennoyer was elected governor, the Oregon House of Representatives was fairly united by "reform" elements that would become an official party when the Populists formed in Oregon in the early 1890s. Labor made gains during the anti-Chinese agitation in the mid-1880s, and Pennoyer helped to unite rural and working class protests with his campaign for "Free Rivers, Free Soil, and Free Labor." After his election, the House was intent on passing more railroad regulation. The Senate, however, remained less affected by the spirit of reform.

In 1887 state representatives turned their sights on the OR&N rate schedule. They failed to pass a bill that would have cut rates on grain, lumber, fruit, and other freight in

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<sup>88</sup> See *Ex Parte Koehler, Receiver*, 30 Fed. 867 (Circuit Court District of Oregon, 4 April 1887) and *Ex Parte Koehler Receiver*, 31 Fed. 315 (Circuit Court District of Oregon, 4 July 1887). Ten years later the U.S. Supreme Court turned to Deady's rulings on the Interstate Commerce Act to affirm the competitive ideology outlined by Deady in 1887. In *Interstate Commerce Commission v. Alabama Midland railway Co.*, 168 U.S. 144 (1897), the Supreme Court relied on the O&C cases to define reasonable rates and to limit the long and short haul provisions of the Interstate Commerce Act.

the OR&N schedule by one-half because the legislators could not agree on the terms for a maximum freight law.<sup>89</sup> The House did manage to pass a bill establishing a railroad commission which they hoped would have the power and flexibility that Deady implied was necessary for railroad regulation. The final law was severely limited by the Senate, but the Railway Commission act did affirm the right of the legislature to regulate corporations within Oregon. The commission itself could do little more than collect and publish information and recommend rates. However, it was charged with the task of enforcing railroad law, and thus had the ability to bring roads to court when they failed to adhere to specific statutes.<sup>90</sup>

Not long after the legislature created the Railroad Commission, its members investigated the OR&N's rate schedules. The Commission requested that the company managers cut its grain rates to four dollars a ton. The managers did reduce rates on grain, but not to the level requested by the commission, arguing that doing so would limit the company's ability to meet its goal of a six percent dividend payment to investors. The commission responded that specific dividend percentages seemed a poor justification for the reasonableness of rates and took the OR&N to court, as allowed by law.<sup>91</sup> The first major test of the Railroad Commission left it nearly powerless. Although the Commission won in circuit court, the OR&N appealed to the Oregon Supreme Court. The Supreme Court reversed the lower court's ruling, which meant that the OR&N had virtually same the power to set rates that it had before the Commission came into existence. The court also informed Oregonians that the law which created the Commission was "hopelessly ambiguous," thus leaving open the question of the legitimacy of any of the Commissions activities. However, the court did not comment on the right of the legislature to confer the power of regulation on a committee such as the Railroad Commission. Nor did it grapple with the obvious question of whether or not the legislature had any rights at all to regulate

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<sup>89</sup> See *Journal of the House, 1887* (Salem, Oregon: State Printer, 1887), p. 26; *Journal of the Senate, 1887* (Salem, Oregon: State Printer, 1887), p. 424.

<sup>90</sup> "An Act to Create and Establish a Board of Railroad Commissioners and to Define and Regulate its Powers and Duties and to Fix the Compensation of its Members," 18 February 1887, *State of Oregon, General Laws of the State of Oregon, 1887* (Salem, Oregon: State Printer, 1887), pp. 30–37.

<sup>91</sup> See *Oregonian* 2 July, 7 July, 13 September 1887.

freight rates, which Deady had hoped to eliminate in the *Ex Parte Koehler* cases.<sup>92</sup> In this state of political limbo, the Commission became bogged down in petty politics as a partisan battle between the Democratic Governor Penneyer and the Republican dominated State Legislature.<sup>93</sup>

### **Conclusion: The Rise of Populism and the Nationalization of “Reform”**

The collapse of the Railroad Commission coincided with the creation of the Populist Party in Oregon in 1892. Although the Grangers remained an active organization, their membership declined and their political message became muted. Reform-minded farmers turned first to the Farmer’s Alliance and then to Populism, a move that was accompanied by a shift from a regional rhetoric to a more nationalized ideology of reform. One historian has remarked that “Oregon populism was not unlike the People’s Party across the country.”<sup>94</sup> Whereas the Grangers had created a unique mix of Jeffersonian agrarian ideology and heavy references to the special nature of the Pacific Northwest, the Northwest Populists of the 1890s were more interested in national issues. The larger reform agenda passed to the People’s party and with it many of the active Grangers joined the Populists.

Oregon populism was still steeped in Jeffersonian agrarian theory, but gone were the overt references to Oregon as the special abode of the farmer, the Northwest as God’s chosen Eden. In the new political order that arose—a complex mix of anti-Chinese rhetoric from labor, free silver, and electoral reform—agrarian concerns such as open rivers and railroad regulation were but two issues in a whole constellation of reform. The history that the Northwest Populists drew upon was no longer that of the frontier, but rather the American Revolution. The American Declaration of Independence became the central document of both the Farmers Alliance and the People’s party. “Equal rights to

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<sup>92</sup> See *Board of Railroad Commissioners of the State of Oregon v. The Oregon Railway and Navigation Company* (1888), reprinted in *Report of the Railroad Commissioners* (Salem, Oregon: State Printer, 1889), pp. 141–150.

<sup>93</sup> On the political imbroglio which followed see *Oregonian*, 18 January, 10 June, 22 June, 3 July, and 4 July 1889.

<sup>94</sup> Margaret Kolb Holden, “The Rise and Fall of Oregon Populism: Legal Theory, Political Culture and Public Policy, 1868–1895” (Ph.D., University of Virginia, 1993), p. 510.

all, special privileges to none,” had more political currency than nostalgia for an uncorrupted Oregon.<sup>95</sup>

There is a lingering sense of irony that pervades the rural critiques of the new industrial order. In the 1870s and 80s, farmers were critical of the lack of local control and the “foreign” elements in charge of the railroads. The national market controlled their fate, they complained, when the Oregon Country had promised them independence. Local control based on the solid manhood of the Oregon farmer needed to be brought to bare on corrupt railroad officials and their undue influence in state and national politics. The problem, these farmers argued, was that they were not beholden to the people, or even the promise, that was “Oregon.” Yet when their local critiques were muted by the federal courts, agrarians cast their lot with an increasingly national movement, the Populists. Their rhetoric, and their action, shifted to a national scene. And though Oregon Populism, like that in Washington and Idaho, was a fairly successful political movement, it abandoned much of the very local problems identified by the Grangers. Though still concerned with railroad regulation, issues like free silver, income tax reform, and direct elections were the practical results of relying on national “American” themes like the revolution, rather than regional ones steeped in an image of “Oregon.”

Oregon farmers were not politically impotent, as we have seen. And their most enduring legacy is not to be found on the state’s statutes and legal code: their appropriation of western imagery and symbol, and their application of a national myth to a local politics had profound impacts for the Northwest. But this strategy was unique to neither Oregonians nor farmers. Residents throughout the Pacific Northwest and inhabitants of the West generally followed similar patterns. When westerners applied the mythic West to their own situation, they saw dissonance rather than promise. They

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<sup>95</sup> On the ties between Populist ideology and the American Revolution, see Chester McArthur Destler, *American Radicalism, 1865-1901, Essays and Documents*, Connecticut College monograph no. 3 (New London, Conn.: Connecticut College, 1946), p. 222; Steven Hahn, *The Roots of Southern Populism: Yeomen Farmers and the Transformation of the Georgia Upcountry, 1850-1890* (New York: Oxford University Press, 1983); Thomas W. Riddle, *The Old Radicalism: John R. Rogers and the Populist Movement in Washington* (New York: Garland, 1991); and Margaret Kolb Holden, “The Rise and Fall of Oregon Populism: Legal Theory, Political Culture and Public Policy, 1868–1895” (Ph.D., University of Virginia, 1993).

demanded the returns inherent in the promise of the West. Westerners themselves, like Oregon's farmers, took popular notions of the land, the frontier, and western history, and reformulated them for their own political use, just as generations of Americans residing outside of the West had done. And it is in the record of cultural history that we feel the force of agrarian critique. As we will see later, western elites answered the critiques emanating from the hinterland in an effort to contain the cultural assault being made on the mythic West. Corporate managers met this assault not only in the legislature and courts, but also in the public sphere where they turned to a progressive notion of history which placed the farmers, and their critiques, firmly in a mythic past. Oregon of the present, they seemed to say, was leaving the frontier behind. However, it took more than just the farmers to shift the currents of western myth. Theirs was but one critical voice in a regional chorus that included in which Native Americans and white laborers were some of the most vocal, but certainly not the only, residents critical of growing industrialization.

## **6. Reserving the Right of Way**

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### **The Railroad, the Federal Government, and Allotment on the Umatilla Indian Reservation**

*Do we not require grant of land through Umatilla reservation for Baker City line?*

– Henry Villard to T.F. Oakes<sup>1</sup>

*Referring to our conversation about the Right of Way for the Oregon Railway and Navigation Co. through the Umatilla Indian Reservation, I have to say... this is a question of some difficulty.*

– J.N. Dolph to T.F. Oakes<sup>2</sup>

*I would respectfully state that the Indians object to the location of the Railroad.*

– Umatilla Indian Agent R.H. Fay to Hiram Price,  
Commissioner of Indian Affairs<sup>3</sup>

In June 1881, the Oregon Railway and Navigation Company met in council with the Indians of the Umatilla reservation, members of the Cayuse, Walla Walla, and Umatilla tribes, to negotiate for a right of way through the Umatilla Reservation (see map 13). The company's proposed Baker City Line ran from Umatilla landing on the Columbia River to Baker City Oregon on the east side of the Blue Mountains. The total area of the land in question was small, less than 400 acres, but the implications for the area were much larger than the parcel of land itself. For the Umatilla reservation lay in the path of a transcontinental connection from Oregon to eastern markets. The OR&N had determined that a route through Pendleton, Oregon to Baker City, Oregon, and beyond was the most financially rewarding route for the nascent railroad. White residents of Pendleton and white stockmen and farmers in the surrounding area cheered the

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<sup>1</sup> Henry Villard to T.F. Oakes, 6 December 1880, in Henry Villard Business Papers, Box 24, folder 212. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>2</sup> J.N. Dolph to T.F. Oakes, 4 December 1880, in Henry Villard Business Papers, Box 24, folder 212. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>3</sup> Umatilla Indian Agent R.H. Fay to Hiram Price, Commissioner of Indian Affairs, 10 May 1881 R.H. Fay to Hiram Price, 5/10/81, in Record Group 75, Bureau of Indian Affairs, Umatilla Agency, Letters Sent to the Commissioner of Indian Affairs, Box 1. National Archives, Pacific Northwest Regional Branch, Seattle, Washington.

proposed arrival of the railroad, especially their choice to build a depot near Pendleton and bisect the reservation. But not everyone who had a stake in the region looked so happily upon the railroad's arrival. The Indians of the Umatilla reservation were suspect of what new trading trail might mean for their stock animals.<sup>4</sup> In addition, they were concerned that the road would gobble up their reservation without any compensation to the Indians residing there. Finally, the federal government itself—the Umatilla Indian Agent, the Commissioner of Indian Affairs, and the Secretary of the Interior—looked at the railroad with ambivalence. Although they hoped it would help bring civilization to the Indians, they were fearful that more than a few of their charge would be crushed beneath the mighty wheels of progress less the road be allowed to build completely unchecked. Indeed, although the parcel of land in question was small, the stakes were high.

At the root of this contest for land was a contest of landscape perception. In this chapter I will investigate the different social groups in and around the Umatilla Indian reservation in eastern Oregon, how they envisioned the land, and how those perceptions influenced construction of the OR&N railroad. The railroad negotiations in the summer of 1881, and the agreements between the OR&N and the Indians of the Umatilla reservation, literally produced a space that did not exist before: by 1883, a near permanent trading trail existed where there was none before. The road was the result of negotiations between the Indians, the government, and the corporation, all of whom had

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<sup>4</sup> In this chapter, I will make repeated references to “the Indians of the Umatilla reservation,” or the “reservation Indians.” I have chosen these terms because the Native Americans discussed in this chapter are those that chose to settle on the lands guaranteed them in the “Treaty with the WallaWalla [sic] Cayuse, etc., 1855,” 12 Stats. 945. When the reservation was created, 9 June 1855, Isaac I. Stevens and Joel Palmer, federal treaty negotiators, located three distinct cultural groups upon the Umatilla reservation. See Charles J. Kappler, ed., *Indian Affairs: Laws and Treaties*, vol. 2 (Washington, D.C.: Government Printing Office, 1904), pp. 694–697. The Cayuse Indians were the most numerous, followed in population size by the Walla Wallas, and then the Umatillas. At various points in the history of the reservation, a scattered group of “Columbia River Indians” or “Chief Moses’s Band” also resided on the reservation, until the President Rutherford B. Hayes granted the various bands of the Columbia their own reservation, known as the “Moses Reservation,” 19 April 1879, See Charles J. Kappler, ed., *Indian Affairs: Laws and Treaties*, vol. 1 (Washington, D.C.: Government Printing Office, 1904), pp. 904–915. The use of the term reservation, to describe this social group indicates my inability to find any references to a local native population which did not reside upon the reservation. Finally, I use the term Indian and native American interchangeably, and instead the more cumbersome Umatilla, Walla Walla, Cayuse individual markers. As I will show, the Native response to the railroad was fairly unified, due to a set of recent conflicts over reservation lands. The other conflicts, I argue, created a unified response to white demands for reservation land.



different ideas about the nature of the reservation. In order to understand the creation of this road, we need to understand how these different actors understood the land, the road, and their place in it. I will start with the railroad itself, and explore what the company managers saw in a line from the Columbia River to Baker City. Then I will show the response of the federal government to the railroad's demand for a right of way across the reservation. Finally, I will investigate the ways in which the reservation Indians understood the railroad and what they expected it to bring. Within these narratives, we will also see how the local white population responded to the railroad's demands, and how they perceived it and the Umatilla reservation in their own understanding of eastern Oregon. The story of the OR&N on the Umatilla reservation relates to our larger story about perception, place, and power. The OR&N used maps and surveys as tools in building its lines across the region, but the road also used these paper landscapes in an attempt to exclude others from the process of transforming the landscape of the Pacific Northwest.

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In December 1880, the Oregon managers notified Villard that the OR&N's Baker City line across eastern Oregon would have to run through the Umatilla Indian reservation, and a discussion began on the nature of the reservation lands.<sup>5</sup> Neither wholly public, nor traditionally private, the reservation presented a challenge to the company. As part of the considerable government lands in Oregon, the managers felt the state was obligated to grant them a right of way through the reservation. But Dolph, Oakes, and Thielsen also understood that the government had set aside the Umatilla reservation to preserve a land base for the Indians in the face of white settlement. At issue was the very nature of the reservation: was it private property or public domain? What rights did the Indians have to compensation if the road ran through the land? What privileges should the company expect given the anomalous nature of reservation ownership? Beginning in December, 1880, the company set out to define the Umatilla

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<sup>5</sup> For a discussion of how the OR&N came to choose a route through eastern Oregon, see chapters 3 and 4 above.

reservation as public domain—a landscape that the company had rights to by the act of 1875. At the same time, the Umatilla Indians worked to contest the company's understanding, and asserted that the tribe held the reservation in common and was obligated to receive compensation for a right of way. In between the company and the Indians stood the Bureau of Indian Affairs and the local Indian agent, who tried to mediate between the two groups while simultaneously pushing its own agenda of civilization and assimilation. Investigating how these three groups saw the road and its place on reservation land provides insight into how local residents understood the place of the landscape in the region's history and development.

The physical fact of the Umatilla reservation threatened the company's plans to build the Baker City route. Thielsen's chosen line up Meacham Creek, the cheapest and most accessible route across the Blue Mountains, ran straight through the Umatilla reservation. But the ambiguous status of the reservation, neither wholly public, nor entirely private—held by the Indians in fee simple—made the federal government the ultimate arbiter as to whether or not the company could legally build a road through the land.

Neither Thielsen nor Villard discussed the reservation until the engineer had decided to build the line up Meacham Creek. Thielsen's survey reports failed to mention the reservation even once. Similarly, Villard's letters from the time he toured the country while in Oregon to purchase the OSN seem oblivious of the reservation. For the OR&N, the myth of a vanishing race of native Americans in the West was complete. The Indians occupied a marginal space in the new Oregon that the OR&N intended to build. Confined to reservations which produced little freight for the company, the Indians of the Pacific Northwest did not exist in the eyes of the Oregon Railway and Navigation Company. As landholders with property essential for the company's road, the Indians asserted their presence. They became another group that the OR&N needed to negotiate with in order to complete its road. Fortunately for the Company, other Oregon managers were more aware of the existence of the Northwest tribes than Villard and Thielsen.

The company's legal council in Oregon, J.N. Dolph was a longtime Portland resident and an active member of the state's political elite. He was acutely aware of the problems that Northwest Indians could pose to investment capital. Not long after Thielsen had generally located the Baker City line, Dolph wrote to Oakes explaining to the vice president that the Umatilla reservation was not simply public domain, but that the OR&N should still have a right to free access through the reserve. The legal intricacies of the question, however, were open for debate.<sup>6</sup>

After referring Oakes to a map, Dolph traced the outline of the reservation, as set by the Walla Walla council treaties in 1855, of which the Umatilla reservation was a consequence. Then he drew Oakes's attention to the provision of the treaty relating to roads, highways, and railroads. "Article Ten," he told Oakes, proclaimed that "the said confederate bands agree that whenever in the opinion of the President of the United States, the public interest may require it, that all roads, highways, and railroads shall have the Right of Way through the reservation." Although Dolph felt the company had every right to free access to the reservation, he was concerned about the statute of 1875 granting roads the right of way through the public domain. "Section five of the Act of Congress approved March 3rd 1875 granting to railroads the Right of Way through the public lands of the United States," he informed Oakes, does not apply to "any lands within the limits of any military Park or Indian Reservation or other lands specially reserved from sale, unless such Right of Way shall be provided for by treaty stipulation or Act of Congress heretofore passed." Although Dolph could find no decision or Act of Congress which specifically granted rights of way to private roads through the reservation, he felt that "such right of way is provided for in the Treaty conditionally, that is if the President of the United States shall be of the opinion that the public interest requires it."<sup>7</sup>

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<sup>6</sup> J.N. Dolph to T.F. Oakes, 12/4/80, in Henry Villard Business Papers, Box 24, folder 212. Baker Library, Graduate School of Business Administration, Harvard University. For a text of the treaty, see U.S. Public Statutes at Large 12 Stat. 945.

<sup>7</sup> J.N. Dolph to T.F. Oakes, 12/4/80, in Henry Villard Business Papers, Box 24, folder 212. Baker Library, Graduate School of Business Administration, Harvard University. For a text of the treaty, see U.S. Public Statutes at Large 12 Stat. 945.

Dolph's fear, if he had one, was based in the fact that the OR&N was a private corporation, instigated not at the government's behest, yet still with the sanction of the state. On one hand, roads such as the NPRR were created by the government and charged with a specific mission. In a sense, the public required the roads to be built, and Congress chartered the corporations, even provided them with a mission statement. The OR&N, however, was the initiative of private investors, and as such, the question of necessity raised in the Walla Walla council treaty was not a forgone conclusion. Yet, the company's managers in Portland and New York felt that the NPRR had failed to live up to its charter and the public demanded a road. The OR&N, in the minds of Dolph and Oakes, was a public necessity.

At issue was the state's definition of transportation routes. No road, be it rail, water, or toll-highway, was entirely private entities in the eyes of a modern state. And the government had long had its hand in the creation and regulation of trading routes and trails. When the framers of the constitution claimed for the federal government the right to regulate interstate commerce, they also charged the government with the task of defining the boundaries for commerce. Public highways, even if privately built, fell under the domain of the state, especially in the West. As historian W. Turrentine Jackson illustrates, the federal government understood that western development depended entirely upon a modern infrastructure.<sup>8</sup> From wagon roads to railroads, the federal government had an interest in developing the infrastructure of the trans-Mississippi West, and thus reserved the right to make demands upon public highways. Railroads forcefully illustrated this point, for when the federal government lacked the resources to build the transcontinental roads themselves, they paid private corporations, in land grants and subsidized loans, to build the roads.

Yet, because the federal government reserved the right to define the terms for transportation routes, the government could also determine whether or not a specific road was a "public necessity." Although the government had already created a highway

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<sup>8</sup> See Jackson, W. Turrentine. *Wagon Roads West: A Study of Federal Road Surveys and Construction in the Trans-Mississippi West* (Berkeley and Los Angeles: University of California Press, 1952).

through the Umatilla reservation when it negotiated with the Umatilla residents to legally sanction the overland trail route through the reservation, no railroad existed. It was up to the President, Dolph wrote Oakes, to decide whether or not the public interest required the road to pass through the reservation, but Dolph felt that President Hayes would oblige. The failure of the Northern Pacific to provide a transcontinental connection with the Pacific Northwest meant that the OR&N could argue that their road was indeed a necessity.

Dolph suggested that the company prepare and certify maps in order to obtain a right of way under the act of 3 March 1875 as usual, but instead of presenting the maps directly to the Interior Department, the company should present them “to the President of the United States to be endorsed with his official certificate, that in his opinion the public interest requires that a right of way should be granted to the company through the reservation, after which they be presented to the Secretary of the Interior for his approval.” Dolph noted that while the Secretary’s approval and the President’s certificate would not be override the act of 3 March 1875 as it applied to the Umatilla reservation, still they would carry “great weight ... with a court should the title of the company ... ever be questioned; and it would certainly bind the Interior Department and the other Departments ... so that no interference with the company’s road need be expected hereafter from the United States.” Finally, if the Secretary should refuse the to grant the right of way, the company could risk asking Congress for a special grant.<sup>9</sup>

In early December of 1880, Dolph instructed Thielsen to survey the line for definite location under the act of 3 March 1875.<sup>10</sup> Thielsen immediately went to the Umatilla reservation to conduct his survey with the understanding that the sooner it was completed, the sooner the President would issue the executive order. In addition, the company wanted the maps of location to be presented to Hayes, instead of the new president. Both Oakes and Villard were concerned that a new administration might

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<sup>9</sup> J.N. Dolph to T.F. Oakes, 12/4/80, in Henry Villard Business Papers, Box 24, folder 212. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>10</sup> Henry Thielsen to Henry Villard, 12/9/80, in Henry Villard Business Papers, Box 22, folder 191; and T.F. Oakes to Henry Villard, 12/11/80, in Henry Villard Business Papers, Box 24, folder 212. Baker Library, Graduate School of Business Administration, Harvard University;

hesitate to grant the executive order, while they were more sure that the company could “get such executive action as we shall need from the present administration and that it will not do for us to take the risk to go to Congress for special authorization.”<sup>11</sup> Former Senator Mitchell had a working relationship with both President Hayes and the Secretary of the Interior Carl Schurz, and the OR&N management wanted to capitalize on those relationships while they still had the time. Thus, while Thielsen was surveying for definite location through the reservation, so as to shore up any possibility of error, Mitchell was at work in Washington pressing both the President and the Secretary of the Interior to grant the company the right of way as specified in the reservation treaty of 1855.<sup>12</sup>

The federal government did not have a unified response to the OR&N’s request.<sup>13</sup> The company had to deal with more than one specific agency and in the end the OR&N management met government resistance on a number of fronts. It would be difficult for us to categorize the government’s response with broad strokes because of the multiplicity of actors. At different times and at different places—in Washington D.C., Portland, and on the Umatilla reservation itself—the company and the federal government clashed as the OR&N sought the right to build on reservation lands. The federal government proved a fractured entity that the various members of the OR&N management had to deal with. In addition, the managers, although all reporting to Villard, were not actively controlled by Villard, as the financier sat in New York, many days away by mail. However, the OR&N complement of managers and advisors were more singular in their purpose than

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<sup>11</sup> Henry Villard to T.F. Oakes, 12/22/80, in Henry Villard Business Papers, vol. 41. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>12</sup> Henry Villard to T.F. Oakes, 12/31/80, in Henry Villard Business Papers, vol. 41. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>13</sup> Other scholars have told a different story regarding railroad-government relations and reservations, where capital and the state work in concert to deprive Indians of land rights. This narrative runs contrary to such histories and attempts to highlight the competing visions of all actors, and to complicate a false Indian-white dichotomy. See Klara Kelley and Harris Francis, “Indian Giving: Allotments on the Arizona Navajo Railroad Frontier, 1904-1937,” *American Indian Culture and Research Journal* 25, no. 2 (2001): 63-92. Kelly and Harris show that many whites worked at cross purposes in the Navajo land allotments, but the railroad-state interaction appears monolithic.

the federal government was in its response. After all, the railroad wanted cheap and quick access to a landscape that was administered by a host of federal agencies and individuals.

There was a guiding principle moving the different federal actors who were responsible for the land and the Indians of the Umatilla reservation. Although each individual may have interpreted their charge differently, most of the officials connected with the Umatilla were touched by the spirit of reform sweeping through the BIA in the latter decades of the nineteenth-century. It is important to understand that the Bureau of Indian Affairs was, at this moment, in the midst of some of the agency's most sweeping changes in its history. Upon the completion of the Civil War, a number of prominent politicians and intellectuals turned their attention to the BIA and saw a host of greedy bureaucrats who were using the unique position of Indian reservations to profit through unfair market transactions. These individuals, who collectively referred to themselves as the "Friends of the Indians," saw a great opportunity to reform the Indian Bureau and to aid the Indians themselves in the road to civilization. Their ultimate goal was to rid Native Americans of their cultural heritage, individualize Indians by stripping them of tribal loyalties, and create fully assimilated Americans and citizens in the eyes of the law. From the Secretary of the Interior, to the Commissioner of Indian Affairs, down to the individual reservation agents, the bureaucrats of the BIA understood their mission with a righteous zeal not seen before.<sup>14</sup> By 1880, the Bureau of Indian Affairs had been thoroughly changed by these reformer's zeal, yet the sheer size of the agency lent itself to a wide range of interpretations of this reform impulse. In addition, the lag time in mails to the Far West and the relative isolation of Pacific Northwest agencies made for an uneven response to the company, as we shall see.

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<sup>14</sup> For more information on the reformers of the nineteenth-century, see Robert M. Kvasnicka and Herman J. Viola, *The Commissioners of Indian Affairs, 1824-1977* (Lincoln and London: University of Nebraska Press, 1979); Francis Paul Prucha, ed., *Americanizing the American Indians: Writings by the "Friends of the Indian" 1880-1900* (Cambridge, Massachusetts: Harvard University Press, 1973), esp. "Introduction"; Francis Paul Prucha, *American Indian Policy in Crisis: Christian Reformers and the Indian, 1865-1900* (Norman: University of Oklahoma Press, 1976), esp. Ch. 5: "The New Christian Reformers"; and Francis Paul Prucha, *The Great Father: The United States Government and the American Indians, 2 vols.*, vol. II (Lincoln and London: University of Nebraska Press, 1984), pp. 609–611.

When Thielsen departed for the Umatilla reservation, he intended to quickly locate the small portion of the Baker City line. To Thielsen, the reservation was not a dangerous Indian country, but a pacified agricultural landscape administered by a federal presence that would gladly facilitate the location of the road through the reservation. Oakes had directed Thielsen to finish the location quickly, and he too felt that the task would not be difficult. Both men estimated that the maps would be ready by the middle of January.<sup>15</sup> But both men were wrong. Mid-way through his efforts to definitely locate the line through the reservation, Thielsen met active resistance from the Umatilla Indian Agent, R.H. Fay.

Indian agents were the point men of BIA reform and assimilationist policies. Although men like Secretary of Interior Carl Schurz and Commissioner of Indian Affairs Hiram Price both sincerely believed in the policies of reform and assimilation, neither man had much control over actual Native Americans, be they on the reservation or off. They could only hope those policies would have an effect. They had to rely on the reservation agents, the men who had daily contact with Native Americans on the reservations. Indian agents were responsible for implementing both the letter and the spirit of the reform measures generated in Washington, D.C.<sup>16</sup> R.H. Fay, the Umatilla reservation agent, exemplified the Indian Agent as an individual reformer. When the OR&N came to the reservation, Fay resisted the OR&N's attempts at simply obtaining free land. Instead, he worked tirelessly to use the railroad as an agent of assimilation.

It was with considerable surprise that Fay met the OR&N surveyors in late December, 1880. He had received no warning from the company about the upcoming surveys and no notice from the Interior department. Fay was in the midst of a dispute between the local white population of Pendleton, over the various reforms instituted at Umatilla. Citizens of Pendleton were angered by the use of armed Indian Police officers who hardened the otherwise permeable border that separated the reservation from the

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<sup>15</sup> T.F. Oakes to Henry Villard, 12/11/80, in Henry Villard Business Papers, Box 24, folder 212. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>16</sup> See Francis Paul Prucha, *American Indian Policy in Crisis: Christian Reformers and the Indian, 1865-1900* (Norman: University of Oklahoma Press, 1976), pp. 195–197.



directly adjacent town of Pendleton.<sup>17</sup> In addition, the Inspector of Indian Agencies was in the Pacific Northwest, and Fay expected him to visit the Umatilla Agency at any time. When Thielsen began surveying, Fay thought that the railroad was trying to illegally obtain a right to build on the reservation.

In late January 1881, Thielsen had still not completed his surveys, and Fay was getting anxious about the OR&N presence on the reservation. Three weeks into the survey, Thielsen's party was hit by a snowstorm and the engineer temporarily suspended the survey.<sup>18</sup> In addition, there had been reports of Indian clashes with the surveyors, and Fay was concerned that the prolonged presence of railroad engineers might provoke Indian hostilities. Consulting with the Inspector of Indian Agencies, who was then at the Umatilla Reservation, Fay demanded the company stop all surveying on Umatilla land and leave the reservation. Thielsen objected as he had only located 10 miles of the line down Meacham Creek on the eastern border of the reservation, leaving 16 miles left for the engineer to survey and map. Thielsen had little say in the matter, however, as Fay had used local Army troops to back up his order to cease locating. Thielsen was angered and left the reservation in an ill mood, complaining to Oakes about snowstorms, Indians interfering with his survey markers, and now troubles with the agent.<sup>19</sup>

When Thielsen departed to locate the Baker City line through the Umatilla reservation he saw an open, unimproved, unambiguous federal reserve. The landscape was essentially empty, save for a handful of Indians who were, Thielsen told Villard, "only here and their cultivate the soil in little detached patches."<sup>20</sup> In this assumption, Thielsen followed the views of many Americans of his day, who saw "unimproved" lands as lands inviting development by white settlers. Even the reformers within the Indian

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<sup>17</sup> James H. Slater to Acting Commissioner of Indian Affairs, Thomas Nichols, 3/21/81, in Record Group 75, Bureau of Indian Affairs, Umatilla Agency, Letters Received from the Commissioner of Indian Affairs, General: 1881–1883, Box 2, folder 1881 (2 of 3). National Archives, Pacific Northwest Regional Branch, Seattle, Washington.

<sup>18</sup> T.F. Oakes to Henry Villard, 1/3/81, in Henry Villard Business Papers, Box 24, folder 214. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>19</sup> T.F. Oakes to Henry Villard, 3/8/81, in Henry Villard Business Papers, Box 24, folder 216. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>20</sup> Henry Thielsen to Henry Villard, 1/25/81, in Henry Villard Business Papers, Box 25, folder 224. Baker Library, Graduate School of Business Administration, Harvard University.

agency understood Indian land as essentially wasted space. Indeed, many of the arguments later issued in favor of the Dawes Severalty act of 1880, which broke up large reservations and assigned plots to individual tribal members, were based on the assumption that reservation Indians did not use the vast amounts of land given to them, and that white settlers were in some way justified in their hunger for these lands.<sup>21</sup>

Such a vast, unimproved section of land was certainly a piece of the public domain, whether administered by the BIA or the Department of the Interior. Thielsen did not make a distinction between government agencies; the Umatilla reservation was a federal reserve, not a communally held piece of private property. Both he and Dolph had assumed that as public domain, they would need to follow the steps laid out in the act of 3 March 1875 for the purpose of rights of way through the public domain. Their first task, then, was to definitely locate a line through the Umatilla reservation and draw that line on a map. Only after they surveyed and located the line could the OR&N then proceed in their attempts to obtain a right of way across the reservation. Surveying was the initial foray into any landscape, and federal opposition seemed unjust. Umatilla Agent Fay, however, saw a different landscape when he looked upon the Umatilla reservation.

As an Indian Agent, Fay had a different understanding of the reservation and what life was like for those who lived there. For more than a decade, the Umatilla tribe had raised horses and cattle on the reservation, and more than a few families had made improvements to distinct portions of the reservation. The year that the company surveyed the line through the reservation, the Umatilla tribe had realized over \$50,000 in raising stock on reservation lands and selling it to the local white population in Pendleton.<sup>22</sup>

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<sup>21</sup> Francis Paul Prucha, *American Indian Policy in Crisis: Christian Reformers and the Indian, 1865-1900* (Norman: University of Oklahoma Press, 1976), pp. 237–241. Prucha argues that Indian reformers primary impetus in breaking up reservations was assimilation. Reformers argued that white encroachment upon Indian land was inevitable, and therefore allotment was the only way to secure Indian lands through the process of patenting the land in fee simple. Prucha sees the reformers in opposition to land hungry settlers in the West, and reformers laments over encroachment as evidence of this opposition. But the evidence can be read another way. The rhetoric of inevitability actually justified white land hunger and paved the way for white encroachment upon reservation lands.

<sup>22</sup> Commissioner of Indian Affairs, *Annual Report of the Commissioner of Indian Affairs* (Washington, D.C.: Government Printing Office, 1880), pp. xxi, 131, 141. R. Douglas Hurt, *Indian Agriculture in America: Prehistory to the Present* (Lawrence: University Press of Kansas, 1987), p. 128

Fay's understanding of the reservation, and his role in administering it, was thoroughly rooted in both his understanding of civilization efforts and also the Umatilla stock raising efforts. To Fay, the reservation lands were indeed held in common by the Umatilla residents, but the Indians efforts to improve individual parcels of the reservation as well as their commercial pursuits on the reservation had transformed the landscape from an empty, wild country, into a domesticated landscape. However, their efforts did not altogether wrest the reservation from the control of the federal government. The Indians were not citizens, and no corporate body nor group of individuals held the title to the reservation lands. Fay felt compelled to act as more than simply an administrator to the lands; he presided over the lands as a paternalistic protector. If the intention of the federal government was to reserve Indian lands so as to keep them inviolate against white encroachment, Fay was the individual most responsible for protecting the Indians' and the government's rights to the land.

When Thielsen set about to survey the lands for the purpose of locating a line, Fay was concerned that such action might help to secure for the railroad a right to the landscape without proper compensation to the Umatilla tribe. His fear was not unfounded. As we saw in chapter 3, maps of definite location, once approved by the Secretary of Interior, acted as right and title to lands within the public domain. It seems that the agent stopped the surveys because the company was conducting them without express permission from either the Secretary of Interior or the Commissioner of Indian Affairs. The company had failed to ask permission for their surveys, and Fay thought the company was trying to surreptitiously trying to obtain a right to the land with the surveys. Thielsen had conducted his surveys, however, because he and Dolph felt the land was public domain, and therefore they needed to locate the line and submit the maps *first* to obtain the right of way through the reservation.

In Washington, D.C., still another interpretation prevailed, held by the Secretary of the Interior Carl Schurz. Schurz, a German refugee of the 1848 revolution, came to the Interior Department with a reformist bent. As historian Francis Paul Prucha illustrates, Schurz wanted to shift federal government away from its policy of separating Indians on

large reservations where they could, in contemporary terms, “be Indians.” Instead, Schurz wanted to impress upon reservation Indians a fully Europeanized definition of private property.<sup>23</sup> He intended “to individualize [Indians] in the possession and appreciation of property, by allotting to them lands in severalty, giving them fee simple title individually to the parcels of land they cultivate, inalienable for a certain period.”<sup>24</sup> Schurz’s believed so strongly in individualizing Native American’s property rights because he was fearful of white encroachment upon large Indian holdings. When discussing the severalty bill brought forth by Texas Senator Richard Coke, Schurz told the joint Committee on Indian affairs that it was logical for whites to hunger for Indian lands that, in his terms, had been withheld “from settlement and development so as to maintain a savage aristocracy in the enjoyment of their chivalrous pastimes.”<sup>25</sup> Schurz felt that white settlement was inevitable, and that control over reservation lands were “large and valuable territorial possessions which are lying waste ... in the way of what is commonly called ‘the Development of the country.’”<sup>26</sup> Schurz hoped that he could “obtain their consent to a disposition of that part of their lands which they cannot use, for a fair compensation, in such a manner that they no longer stand in the way of the development of the country as an obstacle.”<sup>27</sup> Schurz then reckoned that once the federal government allotted the Indians specific parcels of land, “the Indians will occupy no more ground than so many white

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<sup>23</sup> For more explicit explications of Carl Schurz’s reform efforts, see Prucha, Francis Paul, ed. *Americanizing the American Indians: Writings by the “Friends of the Indian” 1880-1900*. Cambridge, Massachusetts: Harvard University Press, 1973; Francis Paul Prucha, *American Indian Policy in Crisis: Christian Reformers and the Indian, 1865-1900* (Norman: University of Oklahoma Press, 1976); and Robert M. Kvasnicka and Herman J. Viola, *The Commissioners of Indian Affairs, 1824-1977* (Lincoln and London: University of Nebraska Press, 1979), pp. 155-180.

<sup>24</sup> Carl Schurz, “Present Aspects of the Indian Problem,” *North American Review* CXXXIII, no. July (1881), reprinted in Francis Paul Prucha, ed., *Americanizing the American Indians: Writings by the “Friends of the Indian” 1880-1900* (Cambridge, Massachusetts: Harvard University Press, 1973), p. 14.

<sup>25</sup> House Report No. 1401, 46th Congress, 2-3., pp. 2-3, quoted in Francis Paul Prucha, *American Indian Policy in Crisis: Christian Reformers and the Indian, 1865-1900* (Norman: University of Oklahoma Press, 1976), pp. 238-239.

<sup>26</sup> Carl Schurz, “Present Aspects of the Indian Problem,” *North American Review* CXXXIII, no. July (1881), reprinted in Francis Paul Prucha, ed., *Americanizing the American Indians: Writings by the “Friends of the Indian” 1880-1900* (Cambridge, Massachusetts: Harvard University Press, 1973), p. 20.

<sup>27</sup> Carl Schurz, “Present Aspects of the Indian Problem,” *North American Review* CXXXIII, no. July (1881), reprinted in Francis Paul Prucha, ed., *Americanizing the American Indians: Writings by the “Friends of the Indian” 1880-1900* (Cambridge, Massachusetts: Harvard University Press, 1973), p. 14.

people; [and] the large reservations will gradually be opened to general settlement and enterprise”<sup>28</sup>

Schurz’s fear of white encroachment was firmly rooted in two things. First, that Indians were not making good use of their vast holdings guaranteed to them through treaties. The reservations were literally standing in the way of progress because the Indians were not, by Schurz’s definition, using them productively. In addition, Schurz believed that white progress was inevitable, and that the lands were, by design, meant to aid in the progress of civilization. Hence, white encroachment upon these vast tracts lying in waste was inevitable. Better to guarantee Indian title to the land by giving each resident of the reservation a plot, their to hold in fee simple—as the sole private owner—and open the remaining portions to whites than to have the whites slowly erode all Indian title to reservation lands. Many historians, Prucha included, have characterized this argument as a sincere fear upon the part of the reformers, and they have downplayed how this rhetoric of inevitability paved the way for white intrusion upon Indian lands. It is wrong, I think, to lament the naïveté of the reformers without fully appreciating their complicity in the wholesale destruction of Native land rights. This rhetoric of “Friends of the Indians” gave a reformer’s approval to white land hunger, and literally provided a framework for the dispossession of treaty lands. The rhetoric of the inevitability of white progress paved the way for capital into Indian country.

Although Schurz wanted to protect native land titles, he saw in the company’s demands a possibility to introduce the Umatillas to “civilization” while at the same time dictating the terms of that introduction. The railroad could bring progress to the reservation first by introducing the Indians to a European sense of property holding as well as capitalist negotiations. The company would provide the Umatilla residents employment while the company built its line. More importantly, the railroad line would give the reservation an expanded market connection. Greater access to the market would in Schurz’s opinion provide the Indians a better return on their agricultural products. In

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<sup>28</sup> Carl Schurz, “Present Aspects of the Indian Problem,” *North American Review* CXXXIII, no. July (1881), reprinted in Francis Paul Prucha, ed., *Americanizing the American Indians: Writings by the “Friends of the Indian” 1880-1900* (Cambridge, Massachusetts: Harvard University Press, 1973), p. 20.

addition, the market, like the railroad, would bring “American civilization” to the reservation Indians, thus further aiding in assimilation. Hence, Schurz was willing to help the company obtain a right of way through the reservation if the company would compensate the Indians for the land. In a letter to Mitchell from Schurz, the Secretary maintained that if the company wished to obtain a right of way through the reservation, or any other land patents, they would need to “treat” with the Indians, just as the federal government had negotiated with the Umatilla’s for the right of the emigrant road to pass through the reservation some 20 years earlier.<sup>29</sup>

J.H. Mitchell, acting as the OR&N lobbyist, asked Schurz for his help in the Umatilla matter. Schurz’s response shows us just how the Secretary understood land rights on the reservation. Although the land was held in trust by the government, the Indians themselves had the final say over matters of land rights. The Interior Department’s role was to administer the reservation and protect the lands from greedy whites. But the Indians themselves “owned” the land, in as much as property rights were concerned. Without the consent of the Indians, and without adequate compensation, the Interior Department would not approve any road across lands owned by the Umatilla’s.

Mitchell, annoyed by the Secretary’s decision, then appealed directly to the President, but Hayes was unwilling to give the company what Schurz had denied them. Hayes, like Schurz, wanted to aid the company, but the President was not going to issue an executive order off the cuff and wanted the advice of his Interior Secretary. In a letter to Schurz, Hayes asked the Secretary to examine the OR&N papers, “believing that the construction of the railway proposed by the Oregon R & N company is of great public interest.”<sup>30</sup> Although Hayes implied that the railroad would indeed be granted access to the reservation, he made it clear that Schurz, as the Secretary of Interior, had a power to shape that access, and that Schurz’s opinion would influence the course of events.

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<sup>29</sup> Henry Villard to T.F. Oakes, 12/31/80, in Henry Villard Business Papers, vol. 41. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>30</sup> Copy of Letter from Rutherford B. Hayes to Carl Schurz, 1/13/81, in Henry Villard Business Papers, Box 82, folder 575. Baker Library, Graduate School of Business Administration, Harvard University.

Hayes's eventual executive order regarding the Umatilla reservation and the OR&N embodied Schurz's understanding of reservation land rights, as well as the role of the government in protecting those rights. Issued 22 January 1881, the order noted that "the public interest demands that the railroad company shall have the right of way for the location and construction" of the road. Hayes's order not only established the company's right to petition the government for access to the reservation, it also confirmed the OR&N's management in their belief that the road was a public necessity. Although Hayes upheld the basic desire of the company, he did mitigate their demands for free access to the land. The order also made clear that the Indians communal ownership of the land was inviolate, and that the reservation was not simply a part of the public domain.<sup>31</sup> Finally, the President clearly stated that the company would have to negotiate with the Indians for proper compensation. Both Schurz and Hayes agreed on a market-centered understanding of assimilation and progress. In the minds of these two officials in Washington, D.C., interaction with a modern corporation and entrance into the world of the market would help bring the Indians out of the past and into the future.

Perhaps the most important aspect of President Hayes's executive order was the position it granted to the government: both Hayes and Schurz saw in the transaction a means for the Indians to enter the world of private property while still being protected by the watchful eyes of the federal government. Hayes's executive order placed the Secretary of the Interior as the final arbiter of the agreement and gave Schurz a kind of veto power if the secretary felt that the Indians had been mistreated. Hayes put the federal government between the Indian's property rights and the railroad company's desire for the land. The executive order implied that the federal government, as mediator instead of outright owner, had the right to oversee negotiations and make demands upon both parties. As an administrator of the property held in common by the Umatilla tribe, the government, as embodied by the Interior Department, would set the boundaries within which both the railroad and the Indians would negotiate.

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<sup>31</sup> Copy of Executive Order, Rutherford B. Hayes, 1/22/81, in Record Group 75, Bureau of Indian Affairs, Umatilla Agency, Miscellaneous Correspondence, 1862–1925, Box 1, folder 1881–1882. National Archives, Pacific Northwest Regional Branch, Seattle, Washington.

Schurz's understanding of the railroad's progressive power was not limited to the lesson the Indians would learn negotiating with the OR&N. Schurz felt that the Umatillas could further benefit from the road because the company could bring to the reservation the modern form of wage labor. When Schurz received the news of the executive order, he forwarded it to agent Fay with the demand that the company employ Indian labor when clearing and grading the road. Although the Umatillas had been remarkably successful in their agricultural endeavors, Schurz noticed a lack of other aspects of the modern market. One of Schurz's goals was that Indians "be taught to work by making work profitable to them."<sup>32</sup> He felt that Native Americans were, like children, averse to work, and therefore needed to be taught the benefits of hard work. By demanding that the company employ Indian labor, the secretary would bring the benefits of wage labor directly to the Indians. His demands upon the company, however, would mitigate some of the inequities that normally existed when whites employed Indians. The secretary reserved the right to dictate the terms by which the company employed the Indians.

Finally, the Interior department saw in the railroad the possibility of reinforcing the greater goal of dividing the reservation into individual allotments. The Interior department demanded that the road fence the boundaries of the right of way.<sup>33</sup> Fencing, the secretary assumed, was essential for any individual property owner, especially those whose intent was to farm. If the government demanded that the Indians take individual allotments, Schurz knew that the government would have to help the Indians fund many internal improvements. The railroad provided one avenue to subsidize these improvements. But the issue of fencing was not just a monetary one. The fence would provide the Indians a visual marker of private property. Schurz could think of no better way to illustrate the notion of private property to the Indians than a fence. His demands

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<sup>32</sup> Carl Schurz, "Present Aspects of the Indian Problem," *North American Review* CXXXIII, no. July (1881), reprinted in Francis Paul Prucha, ed., *Americanizing the American Indians: Writings by the "Friends of the Indian" 1880-1900* (Cambridge, Massachusetts: Harvard University Press, 1973), p. 17.

<sup>33</sup> Hiram Price to R.H. Fay, 5/24/81, in Record Group 75, Bureau of Indian Affairs, Umatilla Agency, Letters received from the Commissioner of Indian Affairs, General: 1881-1883, Box 2, folder 1881 (1 of 3). National Archives, Pacific Northwest Regional Branch, Seattle, Washington.



for fencing were intimately tied to his desire to make Indians appreciate the benefits of private property.

Schurz's program for the company and the Indians rested on the negotiations as an introduction to the modern market, and the success of the negotiations depended entirely on giving the Indians every opportunity for an equal footing with the company. To accomplish this, Schurz and acting Commissioner of Indian Affairs Thomas Nichols wanted the company to complete their maps—not as a way to obtain title to the land, but as a means for the Indians to understand the company's intentions. They criticized agent Fay's order to stop the surveys. In a letter to Fay, the commissioner demanded that Indian agent "permit the Chief Engineer of the company to go upon the reservation ... for the purpose solely of making such surveys as would enable the company to submit intelligently to said Indians in council the exact quantity of land required for right of way and also for depot purposes." Fay was directed to, in Schurz's terms "obtain the consent of the Indians to allow the officers of the company to make a preliminary survey, and explain to [the Indians] that the construction of the road would not be allowed until all arrangements for compensation are perfected."<sup>34</sup> From Washington, the surveys appeared to be the only way that the company could "intelligently" convey to the Indians what the railroad wanted.

The executive order regarding the reservation elicited a mixed reaction from the company's managers. Both Mitchell and Thielsen chafed under the demands of the order. "I am sorry to hear that the dept. has decided that the right of way granted to us by the President, in accordance with treaty stipulations," Thielsen wrote to Villard, "still oblige us to treat with the Indians for the value of the land taken by us and apparently to leave us in the amount entirely at their mercy as there is no court to which we can appeal. To me, this appears on its face not only as a very strange but unjust decision." Thielsen went on to argue that the Indians' need of the land was virtually nonexistent as "they will take

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<sup>34</sup> Thomas Nichols to R.H. Fay, 3/8/81, in Record Group 75, Bureau of Indian Affairs, Umatilla Agency, Letters received from the Commissioner of Indian Affairs, General: 1881–1883, Box 2, folder 1881 (2 of 3). National Archives, Pacific Northwest Regional Branch, Seattle, Washington.

farms in severalty or else leave very soon.”<sup>35</sup> No doubt the Secretary and the Commissioner of Indian Affairs agreed with Thielsen, but they felt that the Indians deserved compensation for the land guaranteed them by treaty. Villard and Oakes disagreed with Thielsen and allowed that the company was getting off cheap if all they had to do was provide compensation, as long as the Indians did not demand more than \$5.00 per acre.<sup>36</sup> So, Thielsen’s protests notwithstanding, the engineer finished the location maps the best he could and forwarded them to Mitchell at the capitol, so that the former Senator could present the maps to the Schurz.

A problem arose, however, because Schurz would not accept Thielsen’s maps. When Fay had ordered Thielsen to leave the reservation, the engineer had only completed 10 miles of the survey. He had to finish the map and draw the remaining 16 miles based on the company’s preliminary survey and the public surveys of the reservation. Thielsen informed Villard that the Interior Department, “after first accepting maps [to the Reservation] now rejects it as insufficient and will not call council of Indian Chiefs for negotiations for lands until proper map is filed.”<sup>37</sup> Schurz felt that the maps were not detailed enough; if the Umatillas were to make an informed decision as to the value of their land, then they would have to have a map of definite location upon which they could base their demands. Fay’s order to stop the surveys, however, meant that Thielsen could not finish them to the liking of the Secretary. Finally, in the beginning of March, the acting Commissioner of Indian Affairs, Thomas Nichols, ordered Fay to obtain permission from the Umatilla tribe to allow the OR&N surveyors to complete their task. Fay, Nichols noted, was to “explain to [the Umatillas] that the construction of the road

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<sup>35</sup> Henry Thielsen to Henry Villard, 1/23/81, in Henry Villard Business Papers, Box 25, folder 224. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>36</sup> Henry Villard to T.F. Oakes, 12/31/80, in Henry Villard Business Papers, vol. 41. Baker Library, Graduate School of Business Administration, Harvard University; T.F. Oakes to Henry Villard, 2/1/81, in Henry Villard Business Papers, Box 24, folder 215. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>37</sup> T.F. Oakes to Henry Villard, 2/24/81, in Henry Villard Business Papers, Box 24, folder 215. Baker Library, Graduate School of Business Administration, Harvard University.

would not be allowed until all arrangements for compensation are perfected.”<sup>38</sup> Soon after this order, Thielsen was back at work completing the survey.<sup>39</sup> By early May, Samuel J. Kirkwood, President Garfield’s Secretary of the Interior (who shared Schurz’s reformist notions about the OIA), wrote to Fay, directing the agent to call a council of the Umatillas and the OR&N management to settle the matter.<sup>40</sup>

If the responses to the OR&N’s demands from the federal government were fractured, the response from the Umatilla tribe was fairly unified.<sup>41</sup> The residents of the Umatilla reservation understood the threat that white society posed to their communally held property. As early as the 1850s, the government had negotiated with the Umatilla residents for the free passage of overland trail emigrants across the reservation. Although the federal government successfully negotiated with the tribes for the right of emigrants to cross through the reservation, the Indians of the Umatilla reservation soon began to coalesce politically around land issues and pressure from white settlers. By the 1860s, emigrant traffic had begun to lessen, but pressures for access to reservation lands did not abate. The discovery of gold in eastern Oregon sent travelers back through the reservation from western settlements in the Willamette Valley, as well as California. The annual report from the reservation agent in 1862 claims that over 6000 parties traveled through

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<sup>38</sup> Thomas Nichols to R.H. Fay, 3/8/81, in Record Group 75, Bureau of Indian Affairs, Umatilla Agency, Letters received from the Commissioner of Indian Affairs, General: 1881–1883, Box 2, folder 1881 (2 of 3). National Archives, Pacific Northwest Regional Branch, Seattle, Washington.

<sup>39</sup> T.F. Oakes to R.H. Fay, 4/7/81, in Record Group 75, Bureau of Indian Affairs, Umatilla Agency, Letters Received from Other Parties, folder: Letters Received from Other Parties, Local, 1881. National Archives, Pacific Northwest Regional Branch, Seattle, Washington.

<sup>40</sup> Kirkwood upheld all of Schurz’s decisions in the Umatilla-OR&N matter. As for his policies for the Office of Indian Affairs, they were largely in line with the reformers of the day. On most issues, except for Indian consolidation, at which Kirkwood was not very successful, the new Secretary worked in concert with his former Senate colleagues and the New England reformers. See Francis Paul Prucha, ed., *Americanizing the American Indians: Writings by the “Friends of the Indian” 1880-1900* (Cambridge, Massachusetts: Harvard University Press, 1973), esp. Ch. 4, “Development of Reservation Policy.”

<sup>41</sup> It is not my intent to argue that the Umatillas can be seen as a single entity. The reservation had a political life of its own, in which individuals and factions moved to accrue power and set tribal agendas with respect to Federal policies. Umatilla agency documents, however, and the tribes history of dealing with government demands for land indicate that the tribe had long established a means of answering government demands in a unified fashion. I will try to show how the tribe’s earlier interactions with the federal government since the advent of their removal to the reservation had created a community of Native Americans willing to act in concert to maintain tribal sovereignty and a unified land base. See James B. Kennedy, “The Umatilla Indian Reservation, 1855-1975: Factors Contributing to a Diminished Land Resource Base” (Ph.D., Oregon State University, 1977).

the reservation on their way to the mines at Powder River and Granite Creek.<sup>42</sup> The gold rush in eastern Oregon led to the development of towns like Pendleton, which directly bordered the Umatilla reservation. Pendleton residents and the region's farmers and stockmen looked upon the reservation as wasted land and clamored for the federal government to extinguish the Indian title.

In 1870, Congress authorized the government to negotiate with the Umatilla inhabitants for the sale of the reservation and the removal of the Indians to one of the coastal reservations. But the Indians were unwilling to sell the land that they had finally begun to call home. In the previous decade, 25 individual farms had been claimed and improved, and over 900 acres were under Indian cultivation by 1870. In addition, the different tribes of the reservation had taken up stock raising with great success. On the eve of the negotiations, the different bands had a total of 10,000 horses, 1500 cattle, 150 pigs, and 75 sheep. The Indians had even taken to harvesting hay for the animals, and in 1870 they bailed over 400 tons<sup>43</sup> According to the *Annual Report of the Commissioner of Indian Affairs*, the Umatilla tribes had invested in "substantial improvements" upon the reservation. They had constructed three principal structures upon the reservation, in addition to individual houses. By the time of the 1870s land negotiations, a grain mill, a saw mill, and a school stood upon the reservation, which the agent valued at \$15,000.<sup>44</sup>

Reservation "improvements" notwithstanding, federal negotiators arrived at the reservation in the late summer of 1871 in an attempt to purchase the reservation from the tribes and have the residents removed to less fertile land on the Oregon coast. The negotiators were convinced that the Indians would part with their land, but the local agent was not so sure. For almost a week, the negotiations dragged on, with government men offering various inducements to the Indians to leave the reservation. In the end, however,

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<sup>42</sup> Commissioner of Indian Affairs, *Annual Report of the Commissioner of Indian Affairs* (Washington, D.C.: Government Printing Office, 1862), p. 269; James B. Kennedy, "The Umatilla Indian Reservation, 1855-1975: Factors Contributing to a Diminished Land Resource Base" (Ph.D., Oregon State University, 1977), p. 75

<sup>43</sup> Commissioner of Indian Affairs, *Annual Report of the Commissioner of Indian Affairs* (Washington, D.C.: Government Printing Office, 1870), p. 56.

<sup>44</sup> Commissioner of Indian Affairs, *Annual Report of the Commissioner of Indian Affairs* (Washington, D.C.: Government Printing Office, 1867), p. 69.

the various bands residing on the Umatilla reservation spoke with one voice. They voted unanimously not to sell the reservation, and the federal negotiators went home empty handed. The local agent, however, was pleased with the outcome. He felt that the Indians had made “progress” and that in doing so they had secured their right to the land.

The various tribes of the Umatilla reservation strengthened their unity on land issues a decade later when the citizens of Pendleton petitioned for the right to purchase additional land so that their town might expand. The particular piece of land lay far from any Indian settlements and had been a source of trouble in the past. Pendleton residents had illegally built a saloon and stable upon the property.<sup>45</sup> The reservation Indians understood that the Pendleton citizens would occupy the boundary lands no matter what, and felt that a petition offered the Indians a possibility to at least obtain compensation for the land. So, in 1880, the Indians petitioned the government for a survey of the lands so that they could be accurately assessed and sold. In January of the next year, the tribes met in council and approved the sale of the land. When Congress approved the sale in 1882 by legislative act, they noted that the sale was “necessary to allow [Pendleton] proper and needful extension and growth.” Although most arguments by white settlers had focused on the fact that the Indians were wasting precious agricultural land, the Congress ordered that the land be “surveyed and laid out into lots and blocks” and shall “correspond as near as may be to the plans and survey of the said town of Pendleton.”<sup>46</sup>

For our purposes, the importance of both the federal negotiations for reservation land and the transaction with the town of Pendleton is that the two incidents taught the Umatilla how to respond to pressure from whites for land concessions. The history of the two negotiations and the tribal councils that ensued introduced the various bands residing on the Umatilla reservation to the vagaries of property rights. It also taught the Umatilla, Walla Walla, and Cayuse, if the tribe members did not already know, the role of surveyors in land disputes and the relative worth of their land in the eyes of the federal

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<sup>45</sup> Commissioner of Indian Affairs, *Annual Report of the Commissioner of Indian Affairs* (Washington, D.C.: Government Printing Office, 1881), p. 150.

<sup>46</sup> 22 Stats. 297, 5 August 1882, quoted in Charles J. Kappler, ed., *Indian Affairs: Laws and Treaties*, 2 vols. (Washington, D.C.: Government Printing Office, 1904), pp. 209–211.

government and the citizens of Pendleton. Finally, the recent history of land disputes forged a unified voice upon the reservation, and created a shared community response when dealing with white demands for land.

When the OR&N came on the reservation in late December of 1880, the tribe looked upon the surveyors with more than a little apprehension. If the Indian agent for the Umatillas had no knowledge of the surveyors' intentions, we can assume that the Umatillas had little understanding of the specific intent of what the OR&N surveyors were doing on the reservation. This is not to say that the Umatillas were ignorant of surveyors, for they had constant contact with them on the reservation, all of which led to intrusion after intrusion on the lands guaranteed to them according to the Treaty of 1855. When Umatilla Indians looked upon Thielsen's surveying parties, they saw them for what they were—unannounced agents of white encroachment upon tribal lands. The story of the Indian responses to the OR&N tells us that by the end of the negotiations with the railroad, the Indians were acutely aware of the nature of the OR&N route and what a railroad through the reservation meant for the future of the tribe.<sup>47</sup> Their initial response to the surveyors, the insistence on the part of the Interior Department for obtaining consent for surveying, as well as Umatillas repeated criticisms of the route and unified stand during the negotiations all point to the Indians clear understanding of the road.

After Agent Fay forced Henry Thielsen to leave the Umatilla reservation in January of 1881, the engineer wrote to Oakes complaining of the troubles he encountered on the reservation, especially the annoyance of the Indians themselves. Not only had Fay stood in the way of the company's efforts, Thielsen reported, but the reservation Indians had constantly undermined and harassed the surveying efforts. Oakes related Thielsen's

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<sup>47</sup> H. Craig Miner, in *The Corporation and the Indian* argues that corporate intrusion upon reservation lands contributed in a large degree to the erosion of tribal sovereignty during the latter half of the nineteenth-century. In particular, he argues that railroads—by improving infrastructure—helped attract further corporate interest, and thus they can be seen as the first wave in the eventual total erosion of tribal sovereignty. See H. Craig Miner, *The Corporation and the Indian: Tribal Sovereignty and Industrial Civilization in Indian Territory, 1865-1907* (Columbia, Missouri: University of Missouri Press, 1976). See also Brian C. Hosmer, *American Indians in the Marketplace: Persistence and Innovation Among the Menominees and Metlakatlans, 1870-1920* (Lawrence: University Press of Kansas, 1999.); Melissa L. Meyer, *The White Earth Tragedy: Ethnicity and Dispossession at a Minnesota Anishinaabe Reservation, 1889-1920* (Lincoln: University of Nebraska Press, 1994).

anger to Villard: “The map [of location] has been constructed with great painstaking, we labouring [sic] under the difficulty that nearly every evidence [of the surveys] was found obliterated by the Indians.”<sup>48</sup> The Indians had not been asked if the surveyors could work on the reservation; they had not even been notified of the company’s presence. Thielsen, for his part, made no attempts to communicate to the Indians what their purpose was, or what the company wanted with the reservation lands. Considering the recent history with the white residents at Pendleton, it appears as if the tribal members saw in the railroad surveys the possibility of an attempt by local whites to claim some of the “empty” reservation land. Removing the survey stakes from Thielsen’s location route was but one attempt by the Indians of the Umatilla reservation to halt what they must have considered the advance of their neighbors to the north.

Since the days of the emigrant road in the late 1850s, Euro-Americans saw the Umatilla Indian reservation as open range, lands upon which they could set their animals to graze. Traveling over the Blue Mountains, emigrants saw the valley of the Umatilla as a way station to rest themselves and their animals after the difficult journey over the Rockies. With the last push over the Cascades still to come, emigrants hoped to revive their animals so that they would make it to the promised land of the Willamette valley. By the time of the OR&N surveys, white perception of the land had changed somewhat, but its use value to the Euro-American eyes remained static. The Umatilla reservation was a thoroughfare connecting the white residents of Baker and Union counties, as well as parts of Idaho and Walla Walla in Washington, to the rest of the Northwest via the Columbia River. Stage coach teams passed through and stopped on the reservation lands. According to one contemporary observer, it was customary for teamsters to “turn their stock upon the range over night.” The rich grasslands of the reservation provided travelers in the 1880s, as well as the 1850s, with a comfortable respite when journeying through the twisted hills and mountain ranges of eastern Oregon.

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<sup>48</sup> T.F. Oakes to Henry Villard, 2/24/81, in Henry Villard Business Papers, Box 24, folder 215. Baker Library, Graduate School of Business Administration, Harvard University.

For most white *residents* of eastern Oregon, however, the landscape was no longer a thoroughfare, but a commons. “The country between the Blue Mountains and the Columbia River, embracing the reservation is an extensive and prolific grass region and excepting the reservation is largely occupied by stockraisers [sic],” wrote Oregon Senator James Slater in a letter complaining to the Commissioner of Indian Affairs about Native attempts to remove white settlers’ stock animals from the reservation. “Thousands and tens of thousands of heads of stock, particularly horses and cattle are reared upon this range, used in common and roam at will over this region.” According to Slater, the Indians had “made but little practical advance toward civilization.”<sup>49</sup> Slater, like many white residents, eliminated the Indians from his view when he gazed upon the valley of the Umatilla. He did so because they failed to conform to his definition of civilization. Barring the Indians from civilization, Slater could easily exclude them as “stockraisers” when summarizing the region’s population, even though the tribes occupying the Umatilla reservation were, in their own definition, “stockraisers” with over 10,000 horses grazing upon reservation lands. Four years later, Slater would author a bill in the Senate which diminished the reservation by half, but allotted reservation Indians individual parcels of land, thus aiding them on their road to “civilization.” But at the time, he and many other white settlers were trying to gain title to some reservation land for the town of Pendleton, and the presence of unannounced surveyors must have looked to the Indians of the Umatilla reservation like men attempting to usurp Indian title to the land.

The native bands on the Umatilla reservation did more than just pull up survey stakes, however. When they learned the intent of the railroad surveyors, they quickly formulated an opposition and began lobbying Agent Fay. Their critique was not of the railroad itself, for the reservation Indians in 1880 were as interested in market access as their Euro-American neighbors. Instead, the Indians of the Umatilla reservation objected to the specific route chosen by the OR&N engineers. The Umatilla river bisected the

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<sup>49</sup> James H. Slater to Acting Commissioner of Indian Affairs, Thomas Nichols, 3/21/81, in Record Group 75, Bureau of Indian Affairs, Umatilla Agency, Letters Received from the Commissioner of Indian Affairs, General: 1881–1883, Box 2, folder 1881 (2 of 3). National Archives, Pacific Northwest Regional Branch, Seattle, Washington.



reservation. Running west to east, the river begins in the Blue Mountains on the border of Umatilla and Union counties. To the south of the river lay the mountains and the rivers numerous feeder forks and creeks, of which Meacham creek, at the eastern edge of the reservation, is one. Tumbling down from the summit of the mountains, the waters of Meacham creek had cut a circuitous, but not precipitous path out of the mountainside. From the perspective of a railroad engineer like Thielsen, the easiest access to the Meacham creek grades was the Umatilla river itself, a wide, smooth stream running through gently rolling hills.

In April 1881, the Indians came to Agent Fay demanding that the road not be permitted to cross the reservation. Their reasons were simple, as Fay explained to the Commissioner of Indian Affairs, Hiram Price: "I would respectfully state that the Indians object to the location of the Railroad along the river ... on the grounds that their stock would not have free access to the river and that many of them would be crippled and killed by the cars. They also stated that the railroad would endanger the lives of children living along the river between the points above mentioned."<sup>50</sup> To the Indians residing on the plains of the Umatilla Reservation, the Umatilla river was the primary source of water for their stock, not simply a possible railroad route. The road, in their estimation, would hamper much of the southerly access to the river. The tracks carrying the belching steam engines hurtling along with an immense line of cars would have prevented easy access to many of the watering spots along the river. But more importantly, the Indians were afraid that the road would prove a great danger to their numerous herds of horses and cattle. Umatilla agency stock, which by the early 1880s numbered in the thousands, brought a steady income to the tribes, Senator Slater's assessments notwithstanding. Agricultural Historian Douglas Hurt notes that in 1880 the Indians who chose to reside on the reservation realized \$50,000 from their stock raising efforts.<sup>51</sup>

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<sup>50</sup> R.H. Fay to Hiram Price, 5/10/81, in Record Group 75, Bureau of Indian Affairs, Umatilla Agency, Letters Sent to the Commissioner of Indian Affairs, Box 1. National Archives, Pacific Northwest Regional Branch, Seattle, Washington.

<sup>51</sup> R. Douglas Hurt, *Indian Agriculture in America: Prehistory to the Present* (Lawrence: University Press of Kansas, 1987), pp. 117–118, 128. See Commissioner of Indian Affairs, *Annual Report of the Commissioner of Indian Affairs* (Washington, D.C.: Government Printing Office, 1880), pp. xxii, 131, 144.

The Indians told Fay that the road should go somewhere else. Homly, a leader of the Walla Walla band, told Fay that Wild Horse which marked much the reservation's northern border. Along the Wild Horse, the Indian explained to Fay, a good grade could be found, and then the road could cut across the open plain to the mouth of Meacham creek. The route, Homly explained, would lie almost entirely outside of the reservation. After the trains were running, they would not disrupt life within the reservation boundaries, but would still afford the reservation Indians with good access to the new markets. Homly's arguments made sense, given the nature of the Umatilla river, and its importance to Native attempts at stock raising. But Fay did not believe the Indians were sincere, attributing the objections to the local whites along Wild Horse creek. Fay told the commissioner that he felt the Indian complaints were "raised by the Indians at the instigation of certain white men living along Wild Horse Creek, which is the boundary lines of the reservation in order to procure for themselves better rail road facilities."<sup>52</sup> It is difficult to assess Fay's analysis of the situation, for certainly some white settlers would have benefited if the OR&N had located the road along Wildhorse Creek. But there is little evidence to suggest that the reservation Indians or their political leadership were easily swayed by local whites. That the Indians objected to yet another thoroughfare through their reservation, and their assumptions that the road would impede their stock raising efforts seem more compelling than Fay's explanation of un-named whites duping the Indians into objecting to the road on false pretenses.

The company, unnerved by the Indians' resistance, lobbied at the Interior Department to ignore the native objections.<sup>53</sup> In angry letters to both Dolph and Villard, Thielsen wrote that the Indian objections were "a preposterous farce," noting that to follow the Wildhorse would put the company nine miles out of its way. Thielsen, fearing

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For more information on Native attempts at reservation agriculture in the Pacific Northwest, see Tracy Neal Leavelle, "'We Will Make It Our Own Place': Agriculture and Adaptation at the Grand Ronde Reservation, 1856-1887," *American Indian Quarterly* 22, no. 4 (1998).

<sup>52</sup> R.H. Fay to Hiram Price, 5/10/81, in Record Group 75, Bureau of Indian Affairs, Umatilla Agency, Letters Sent to the Commissioner of Indian Affairs, Box 1. National Archives, Pacific Northwest Regional Branch, Seattle, Washington.

<sup>53</sup> J.N. Dolph to Henry Villard, 5/3/81, in Henry Villard Business Papers, Box 90, folder 667. Baker Library, Graduate School of Business Administration, Harvard University.

the Indian demands might do the company “infinite mischief,” sent his response to Dolph and instructed the lawyer to directly present the company’s case to the Secretary of the Interior.<sup>54</sup> Dolph, upon reviewing Thielsen’s argument, picked up the old engineer’s anger and warned that the “Department should not attempt to control our location.”<sup>55</sup> It appears that Secretary Kirkwood either acquiesced to the company’s demands, or agreed with Fay’s explanation of the situation, because he ordered that Fay call the Indians to council to negotiate with the company. Neither Secretary Kirkwood nor the Commissioner of Indian Affairs Price told the agent to discuss the Indians’ objections with the company. The assumption was that the reservation Indians would simply have to accept the line drawn by the railroad, and set a price upon the land. But in this assumption too, the federal government and the railroad were mistaken.

On 8 June 1881 representatives of the federal government, the Oregon Railway and Navigation Company, the Umatillas, the Walla Walla, and the Cayuse Indians met at the reservation agency to decide the fate of the railroad. Leading the discussion were the men from the OR&N. Henry Thielsen and J.N. Dolph came armed with maps and surveys depicting their route. They explained to the Indians assembled that railroad would cross the reservation and turn up Meacham Creek, and that they would take twenty acres, according to the statute of 1875 governing railroads and public land, and build a depot just inside the boundary of the reservation adjacent to the young town of Pendleton.

In between the reservation residents and the corporation, stood the Agency official, R.H. Fay. Dolph described Fay as “not, however, unfriendly to the company,” although Fay had demands of his own.<sup>56</sup> Fay told both the Indians and the company that the Secretary of the Interior would require the company to fence whatever right of way they obtained from the Indians. In order to protect the stock from the railroad, he told the OR&N as well as the Umatilla, Walla Walla and Cayuse representatives, the company

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<sup>54</sup> Henry Thielsen to Henry Villard, 5/2/81, in Henry Villard Business Papers, Box 25, folder 224. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>55</sup> J.N. Dolph to Henry Villard, 5/3/81, in Henry Villard Business Papers, Box 90, folder 667. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>56</sup> J.N. Dolph to Henry Villard, 6/23/81, in Henry Villard Business Papers, Box 90, folder 669. Baker Library, Graduate School of Business Administration, Harvard University.

would run a fence along the entirety of their right of way.<sup>57</sup> It would be some 42 miles of stout fencing containing, or removing from production, a strip of 100 feet on either side of the track. The result, as the line ran up the Umatilla River, would be the essential removal of the river from the reservation wherever the railroad approached it.

And finally, there sat the representatives of the “confederated” tribes of the Umatilla reservations, who ultimately controlled the destiny of the OR&N’s Baker City line. Although the Indian Agent and the Secretary of the Interior reserved the right to dictate the terms of the agreement, the curious legal circumstances of the Walla Walla treaty and the President’s executive order gave the ultimate power to the Indians, which, by the evidence of the negotiations, the reservation residents tried to wield to the benefit of their various tribes.

Immediately after the negotiations began, the Native representatives raised the now familiar objections to the company’s proposed route. They told the company, in no uncertain terms, that they did not want the road to run along the Umatilla. They considered the danger to their stock and to reservation residents too great. The road would run straight through a handful of improved lands. More importantly, it would disrupt the daily patterns of their livestock, the 20,000 head of horse and cattle, animals which the Indians sold to local and national livestock purchasers. In addition, they resented the road’s attempt to take the river and remove it from the tribe. The Umatilla river, they told the railroad men, was the life of the reservation. How could they water their stock without easy access to the river? What would become of the river were it taken from the tribes? How could you put a price on such a crucial key to their livelihood?<sup>58</sup>

In this heated situation, the negotiations did not last long. The Indians walked out in unison soon after they voiced their objections to the white negotiators. Fay, fearful of

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<sup>57</sup> Hiram Price to R.H. Fay, 5/24/81, in Record Group 75, Bureau of Indian Affairs, Umatilla Agency, Letters Received from Other Parties, 1869–1913, Box: “Letters Received from Other Parties, Local, 1881.” National Archives, Pacific Northwest Regional Branch, Seattle, Washington.

<sup>58</sup> R.H. Fay to Hiram Price, 6/9/81, in Record Group 75, Bureau of Indian Affairs, Umatilla Agency, Letters Sent to the Commissioner of Indian Affairs, Box 1. National Archives, Pacific Northwest Regional Branch, Seattle, Washington.

the outcome, wrote desperately to the commissioner. "Indians in council will not agree. Want location of railroad changed," he wrote his superiors in Washington. "Neither do they agree on the price to be paid."<sup>59</sup> But Fay never sent the letter. Whether he filed it for fear that the Commissioner would think him incapable of succeeding in the modest task which was his charge, or because the pressure the company used to sway the Indians was a success, we will never know. Save from the few shards of evidence in the Umatilla Agency files and Villard's papers, little else survives from the negotiations. In all probability, the company refused to change their location, but they were willing to guarantee Native access to the river.

In a brilliant piece of negotiation, the Company stole the role of moderator from Fay, and began to play the federal governments demands off of the objections of the Indians. If the Indians were concerned about the fence blocking the river, then the company and the Indians would agree to refuse the Secretary's demands. A few weeks after the Indians and the company reached an agreement, Dolph gleefully told Villard that "we found the Indians already disposed to object to the fencing of the road and had no great difficulty in having them require on the part of the company that the road should not be fenced."<sup>60</sup> In the end, even Fay had convinced himself of the "dangers" inherent in the fencing project. "I would respectfully state that, the Indians assembled, ... are unanimous in favor of having the track left unfenced on either side ... as in their opinion it is much better and by far less danger than to have the place fenced in, owing to the very possible contingency of the Fence being broken and also preventing stock from watering."<sup>61</sup>

Finally, the company and the Indians agreed upon an appropriate price for the right of way and depot grounds. The OR&N agreed to classify lands as improved and unimproved, and to value the lands based on those classifications. For 69 16/100 acres of

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<sup>59</sup> R.H. Fay to Hiram Price, 6/9/81, in Record Group 75, Bureau of Indian Affairs, Umatilla Agency, Letters Sent to the Commissioner of Indian Affairs, Box 1. National Archives, Pacific Northwest Regional Branch, Seattle, Washington.

<sup>60</sup> J.N. Dolph to Henry Villard, 6/23/81, in Henry Villard Business Papers, Box 90, folder 669. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>61</sup> R.H. Fay to Hiram Price, 7/14/81, in Record Group 75, Bureau of Indian Affairs, Umatilla Agency, Letters Sent to the Commissioner of Indian Affairs, Box 1. National Archives, Pacific Northwest Regional Branch, Seattle, Washington.

“improved” land, the company agreed pay \$25.00 per acre; for “unimproved” lands, the price would be one-tenth that value, or \$2.50 per acre. At this price, the company purchased just over 305 acres. Included in the unimproved lands were three 16 acre sections for a railway depot “at Pendleton,” as well as depot grounds adjacent to the reservation flour mill and the mouth of Meacham Creek and the Umatilla river.<sup>62</sup> The total price for the right of way and depot grounds was a little under \$2500 dollars. In less than two months, the Secretary had approved of the transaction, apparently willing to let the company leave the route unfenced, as long as they hired native labor, what Agent Fay referred to as “aboriginal contractors” to work on the road.<sup>63</sup>

We would be wrong to interpret the Indians actions as a rejection of the road altogether. We need to realize that they, like many other Northwesterners, wanted a railroad connection. As livestock herders with some 20,000 head on the reservation, the Indians welcomed the improved access to the market that the road provided. They objected to the placement, and the attempts of the OR&N and the government to break up the reservation. If the road had run up Wildhorse Creek, along the reservation’s northern border, it would have provided the Indians with the same market connection, without disturbing their livestock and cutting off the river.

The company was elated at their apparent coup. For less than the price of one mile of track, the OR&N negotiators secured a feasible railroad right of way across the Blue Mountains. In what was probably the most fortunate turn for the company, they also secured depot grounds that were essentially within the limits of the growing town of Pendleton for a fraction of their market value. When the boundary dispute between the reservation Indians and the town of Pendleton came to a head six months after the completion of the negotiations, the OR&N found itself occupying lands within the disputed section. The depot grounds, on the southern side of the town of Pendleton, were

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<sup>62</sup> J.H. Mitchell to Henry Villard, 8/7/81, in Henry Villard Business Papers, Box 82, folder 578. Baker Library, Graduate School of Business Administration, Harvard University.

<sup>63</sup> R.H. Fay to Hiram Price, 8/14/81, in Record Group 75, Bureau of Indian Affairs, Umatilla Agency, Letters Sent to the Commissioner of Indian Affairs, Box 1. National Archives, Pacific Northwest Regional Branch, Seattle, Washington. Indeed, the company paid the Indians more to clear the road, \$20.00 per acre, than they did to purchase it outright.

an essential component to the landscape sought by Pendleton residents because of the peculiar geography of the town. The Umatilla river, after leaving the reservation, ran along the north side of the town. On the north bank of the river, were steep bluffs rising some 500 feet above the main settlement of the town. To the south and east of town, the land was also uneven, but more level bottom lands existed, and the bluffs were not as steep. The OR&N had located their line on the southern border with the town, in what was at the time reservation lands. The landscape was more congenial to building a railroad, but the company also understood that they could obtain reservation lands for much cheaper than lands held privately by white residents of Pendleton. In essence, the government land policy had kept the price of the lands to the south of the town artificially low, and the company benefited. When Pendleton residents sought to expand their town, the only direction lay to the south. It was a happy coincidence of geography that the railroad also lay in the path of expansion.

Six months after the successful completion of the negotiations, in the middle of the border conflict with Pendleton, the Secretary wrote to Fay asking the agent why he let the company purchase the depot grounds at such an astonishingly low price. “It is now reported to the Department,” wrote an irritated Secretary Kirkwood, “that the land in the vicinity of the town of Pendleton is worth much more than two dollars and fifty cents per acre; and the depot site taken by the road comprises twenty acres lying within the borders of the reservation, and within the tract sought to be obtained by said town.” The comments of the Secretary of the Interior take us back to the basic issue of what was at stake during the days when the question of a railroad through eastern Oregon was as yet unanswered. “Will you please inform the department,” Kirkwood wrote, “upon what basis the valuation of the \$2.50 per acre estimated as a fair price to the Indians for the said railway depot site, met your approval.”<sup>64</sup>

Fay’s response is unique in that he summarizes all of the multiple perceptions of different social groups within the region at the time. The railroad, the Indians, the

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<sup>64</sup> S.J. Kirkwood to R.H. Fay, 1/26/82, in Record Group 75, Bureau of Indian Affairs, Umatilla Agency, Letters Received from the Commissioner of Indian Affairs, General. Box 2, 1881–1883, folder: 1883. National Archives, Pacific Northwest Regional Branch, Seattle, Washington.

government and the white settlers, he indicates, all had a different sense of how the land should be used, and what the railroad meant for the region. Fay responded to Kirkwood that the question of the depot lands' value was still undecided. "The report to the department that land in the vicinity of Pendleton is worth much more than \$2.50 per acre is a question upon which opinion is divided." In addition, Fay felt that even if the company had paid less than market value for the depot lands, they had paid too high a price for much of the rest of the reservation. "Taken in connection with the balance of the unenclosed land," Fay told Kirkwood, "the price was considered fair." Fay felt the company had paid too high a price for much of the "improved land" on the reservation, most of which he described as "consisting of brush and timber land and the soil in a great many places unfit for agricultural purposes." Even the unenclosed land was "of little value for any purpose whatever. The best part of which would not bring 50¢ per acre." The agent's sense of the market was, even for the time, naïve: "I am aware of bottom and high lands in the vicinity of Pendleton that in my opinion is not worth more than \$2.50 per acre as it is of very little use for agricultural or any other purpose."<sup>65</sup>

Fay's response illustrates the government's attitude toward land and Indians, and shows us the commanding role played by the reformers' understanding of Indians and civilization. First, Indian land was agricultural land or it was worthless. Fay refused to acknowledge the lands surrounding Pendleton as anything but prospective agricultural landscapes, because based on his understanding agriculture was the only proper use of these lands. If land were unfit for agriculture, Fay implied, it was unfit for Indians and best shed from the reservation. Even though Pendleton residents may have speculated in reservation lands, this sense of speculation was not a proper path to civilization for the reservation residents. His perceptions of the proper use of reservation lands simply eliminated speculation and town building from the picture.

As a settler, Fay would have been a failure if he had applied the same definition of value to the reservation lands. Both Fay, and the reservation Indians failed to

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<sup>65</sup> R.H. Fay to S.J. Kirkwood, 2/13/82, in Record Group 75, Bureau of Indian Affairs, Umatilla Agency, Letters Sent to the Commissioner of Indian Affairs, Box 1. National Archives, Pacific Northwest Regional Branch, Seattle, Washington.



acknowledge the depot situation for what it was: the railroad needed land when all was privately held. The Indians could have dictated a much higher price for the depot lands before an arbitration court would have stepped in, but Fay refused to introduce the Indians to the art of land speculation.

Fay then moved on to how white interests understood the land in question: “It is true that the value of the land in the vicinity of Pendleton acquired by the Co. as a depot site is worth more than \$2.50 per acre,” Fay conceded. But “the depot site and adjacent land has greatly increased in value since a bill to sell a section adjoining the town of Pendleton was introduced.” Fay pleaded ignorance upon the question of value. He implied that it was only the possibility of white ownership that made the land increase in value, and that at the time of the OR&N negotiations, the land itself was relatively worthless. Of course, Fay ignored the OR&N as white owners, and their interest in the land as affecting its price. Neither Fay nor the reservation Indians could see the existence of the depot as playing a role in either the land’s increased value, or the interest of Pendleton residents in owning the land. In the end, he felt the price paid by the company fair, primarily because he too saw the reservation land as essentially public domain.

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The different social groups with interests the lands surrounding the Umatilla reservation saw the landscape and the proposed new trading trail in different terms. The conflict that erupted after the railroad announced its intention to build through the reservation—by sending a party of surveying engineers to the reservation without warning—was based on differences that arose when the different actors tried to put their perceptions of the land into action. Examining the negotiations between the OR&N and the tribes of the Umatilla reservation gives historians a chance to understand how everyday individuals understood the place in which they lived. Investigating the negotiations and the events which surrounded them allows us to look beneath the now familiar booster literature and high art, and into the thoughts and actions of people who inhabited the lands and landscapes in question. The Indians of the Umatilla reservation, the residents of Pendleton, Oregon, and the bureaucrats of the Office of Indian affairs had

little time for creating explicit representations of the lands which they resided in or administered. The Indians painted no canvases akin to Albert Bierstadt, the agents wrote no guidebooks in the mode of Lansford Hastings. Yet their understanding of the lands surrounding the Umatilla reservation had as great an impact on its history than any painting or travel narrative.

Yet not all perceptions are created equal. The history of the OR&N and the Umatilla reservation is a history of power and the images of the landscape the tools of that power. Some, like the OR&N survey maps and reports, represented the power of the state, once approved by the Interior department they were imbued with the legal right to claim property. Yet, that power was not without limits. The residents of the reservation exercised the power of their own vision both in the negotiations, and in less obvious ways, as when they pulled up the survey stakes. The resulting road was the product of those power relations and those perceptions.

## 7. “Absentees and Non-Residents”

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### Labor, the OIC, and the Meaning of Local

*Absentees and non-residents carry away our timber and coal and spend the profits in riotous living, perhaps in San Francisco or eastern cities, leaving us the husks.*

– Seattle Daily Call, 28 September 1885

*These negroes have been imported to take our places. Why were these blacks brought to take our places? Because the company is desirous to have in their control a lot of colored serfs, without intelligence or manhood enough to resist oppression.*

– Seattle Daily Press-Times, 18 May 1891

*This is no fight for lower wages or against labor organization; but for possession of the company's property. We are going to put a stop to this 'ghost dance' once and for all. These men have been dancing longer than the Indians did and have done more mischief by it. ... I could always get along with labor unions in the east.*

– OIC Superintendent Williams<sup>1</sup>

September had been cold, the rains moving into Puget Sound especially early in 1885. The weather did nothing to enliven the spirits of either the miners or the mine managers working at Newcastle and the surrounding coal mines, 30 miles southeast of Seattle (see map 12). The Oregon Improvement Company, hardly five years old, was running a deficit and the miners had been working off and on all that year. Prospects for the fall looked grim. Of course, few of the industries in the Puget Sound area that year were booming, and the rest of the extractive industries of the North American West were not any better. The sputtering economy was still suffering the effects of the financial panic of 1883.

With wages down and prices up, the OIC miners east of Seattle took action. Late at night on September 13<sup>th</sup> some 13 or 14 white miners from the Coal Creek mine donned masks, took up firearms, and marched in the settlement. They did not lay siege to the corporation offices, nor did they forcibly takeover the mine itself. Instead, they surrounded the Chinese section of the town and “by yelling and discharging firearms

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<sup>1</sup> Seattle Post-Intelligencer, 17 May 1891.

drove the sleeping Chinamen from their lodgings.”<sup>2</sup> According to a local Seattle newspaper report based on interviews given by the mine managers, the Chinese workers fled to the nearby woods while the masked miners set fire to the Chinese cook house and lodgings. Chinese businessmen in Seattle claimed that the cook house had held \$4000-5000 worth of goods, the typical stock that the merchants would have sold to the Chinese workers. The scene at Coal Creek was repeated at the OIC’s two other Puget Sound mines—Newcastle and Franklin—as well as at the independently owned Black Diamond coal mine.<sup>3</sup> By the end of 1885, white workers around Puget Sound had joined with middle-class merchants in Seattle and Tacoma and had succeeded in driving many Chinese workers from the Sound.<sup>4</sup>

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What are we to make of the Chinese expulsion from the mines? Historians examining the anti-Chinese violence in Pacific Northwest have explained the acts of the miners as the result of a racist worldview where diminishing wages and growing unemployment lent themselves to class division.<sup>5</sup> Although historians may argue over which groups were in charge of the “mobs”—giving the creative credit of violence to either middle-class merchants, racist labor unions, or sometimes to the miners themselves—they all agree that Chinese expulsion in the Pacific northwest was about wages.<sup>6</sup> Other historians have looked beyond the instances of anti-Chinese violence and placed the expulsions in the larger context of worker unrest in the nineteenth-century

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<sup>2</sup> Seattle *Post-Intelligencer*, 13 September 1885.

<sup>3</sup> See Portland Daily News, 22 September 1885, 28 September 1885.

<sup>4</sup> See Robert Edward Wynne, *Reaction to the Chinese in the Pacific Northwest and British Columbia, 1850-1910* (New York: Arno Press, 1978).

<sup>5</sup> See Jules Alexander Karlin, “The Anti-Chinese Outbreaks in Seattle, 1885-1886,” *Pacific Northwest Quarterly* 39, no. 2 (1948): 103-129; Jules Alexander Karlin, “The Anti-Chinese Outbreak in Tacoma, 1885,” *Pacific Historical Review* 23, no. 3 (1954): 271-283; Alexander Saxton, *Reaction to the Chinese in the Pacific Northwest and British Columbia, 1850-1910* (Berkeley: University of California Press, 1971); Carlos Schwantes, “From Anti-Chinese Agitation to Reform Politics: The Legacy of the Knights of Labor in Washington and the Pacific Northwest,” *Pacific Northwest Quarterly* 88, no. 4 (1997): 174-184; Robert Edward Wynne, *Reaction to the Chinese in the Pacific Northwest and British Columbia, 1850-1910* (New York: Arno Press, 1978).

<sup>6</sup> Even Alexander Saxton, whose work on the anti-Chinese violence is concerned more with historicizing notions of race agrees that the Chinese expulsion was intimately connected to constructions of wages and work. Alexander Saxton, *Reaction to the Chinese in the Pacific Northwest and British Columbia, 1850-1910* (Berkeley: University of California Press, 1971).

West and Pacific Northwest. In analyzing the Populist rhetoric of which the expulsions were a part, they have focused their studies on the intersection of race and labor. This approach has given us a complex understanding of the ways in which workers understood themselves in relation to the growing power of corporations, but it has missed a crucial element of that critique. By focusing on the racial divisions of wages and work, we have overlooked the role that space played in creating these divisions—in constituting race, labor, and community.<sup>7</sup>

The Chinese expulsions in the Pacific Northwest at the end of the nineteenth century were part of a larger story of class tension. In the coal mines of the OIC, anti-Chinese violence was but the opening salvo in a five-year-long struggle between the miners and the corporation for control of the region that Villard and his management had worked so hard to create and monopolize. The anti-Chinese violence in the mines in the fall of 1885 was just the beginning of a series of labor disputes in which the OIC miners struggled to carve out space in the region's new industrial landscape that culminated in the OIC importing black miners to break the organized actions of the miners in 1891. Although the workers' understanding of race and wage labor were important, their critique was intimately connected with their idea of the region. Both race and labor were built upon a broader understanding of regional community, and the worker protests were about the ability to determine the nature of and control over that community. In the Chinese expulsion and the five years of labor violence that followed, OIC miners articulated a vision of the Pacific Northwest as a home being pillaged, not just by Chinese laborers, or later by African-American strikebreakers, but by corrupt corporations bent on bleeding the Pacific Northwest dry of its treasure. Workers argued that the existence of

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<sup>7</sup> A growing number of western labor historians have begun to analyze the role that space played in the history of western labor relations. These historians have seen labor relations in the North American West as the product of a unique set of spatial circumstances, whereby the West is described as an internal economic colony, whose industries are largely extractive and far removed from centers of population as well as the economic "core." These works have made productive use of space and spatial relations, noting how different workers reacted to mobility, transience, and permanence. See David M. Emmons, *The Butte Irish: Class and Ethnicity in an American Mining Town, 1875-1925* (Urbana: University of Illinois Press, 1989); Don Mitchell, *The Lie of the Land: Migrant Workers and the California Landscape* (Minneapolis: University of Minnesota Press, 1996); Gunther Peck, *Reinventing Free Labor: Padrones and Immigrant Workers in the North American West, 1880-1930* (New York: Cambridge University Press, 2000).

Chinese and black wage earners in the Pacific Northwest were a symptom of a larger ill: “foreign” corporate control. The real question, they maintained, was who gets to define a community and its borders in the growing industrial economy, local residents or non-local corporations?

Without a better understanding of how the workers at the OIC mines drew the boundaries around their community their actions appear simply racist. Viewing worker protest against the backdrop of corporate attempts to monopolize the region and its resources, however, allows us to see worker responses as spatial, as well as racial. The constructions of race articulated by the white workers of the OIC mines were largely based on a spatial understanding of who did and who did not “belong” in the community. Chinese workers, like the black strike breakers that followed in the 1890s were “imported” by an institution that controlled the space of the Pacific Northwest and robbed it of its resources. To the miners, the OIC’s importation of strikebreakers was just more evidence that the company was not interested in the region as a whole. It simply removed the treasure of the region and sold it elsewhere, thus spending nature’s capital not in the Pacific Northwest but in “San Francisco or eastern cities,” as one miner told a newspaper reporter.<sup>8</sup> The non-white workers were of a different race because they were of a different place. More aggravating to the miners than the “imports” was the company’s ability to import them.

In this chapter, I trace the working-class critique of the monopolization of space in the Pacific Northwest by the OR&N and its sister company the OIC. I examine the ways in which the OR&N and the OIC used their control over the region’s landscape as a tool for controlling their workers. However, space was a two-way street. Workers responded by lodging both material and rhetorical attacks on the OIC. Miners physically attacked the very spaces the OIC controlled in the company coal towns built and operated by the mine management. In addition, OIC miners articulated a rhetoric of community that they employed to enlist the rest of the region’s residents in their cause. In a series of violent labor disputes in the Oregon Improvement Company’s Washington Territory coal

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<sup>8</sup> *Seattle Daily Call*, 28 September 1885.

mines, beginning with the Chinese expulsions in 1885, and followed by strikes in 1886, 1888-89, and 1890-91, OIC miners took aim at both the material as well as rhetorical control of the region. I show how workers and corporate managers struggled over the right to determine the nature and shape of the Pacific Northwestern landscape: the boundaries of region and regional communities, and the meaning of work in that landscape.

### **The World the Company Made: Monopolizing Space at the OIC Mines**

Both workers and corporate managers around Puget Sound operated on the periphery of the American market. As a result, they felt the effects of the financial crises of the 1880s particularly acutely. All throughout 1883 and 1884, the managers of the Oregon Improvement Company, the largest coal operator in King County, had been struggling to reduce their mining costs. The problem for the company, however, was spatial. Puget Sound was far away from supply points, while the company's mines—some thirty miles by rail from the nearest port—were even further. Even though the railroad that linked the mines to the Sound and the mines themselves were owned and operated by the same company, the relative isolation of the company's operations in Newcastle, Coal Creek, and Franklin was an economic hardship for the owners. Prices for powder to blast the mountains holding the coal, tools to mine the ore, and food and supplies to sell to the miners were all subject to heavy transportation costs. As a result, the fixed costs of mining on the Sound were materially higher.<sup>9</sup>

Unable to control the cost of the mine's supplies, the OIC management took aim at the workers wages. Throughout 1884, the management was able to cut wages between 15 and 20% without significant worker protest.<sup>10</sup> By 1885 however, their efforts to trim

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<sup>9</sup> Across the board, mining in Puget Sound was a more expensive proposition than in American coal mines East of the Mississippi River. For differences in cost between coal mining in Puget Sound and Pennsylvania, see James F. Jones to E. Smith, 20 November 1884, in Oregon Improvement Company Papers, box 44, folder 20. Special Collections, University of Washington.

<sup>10</sup> For a general discussion of OIC wages, see for example John L. Howard to E. Smith, 13 January 1884, "Yearly report, 1883." Oregon Improvement Company Papers, box 54, folder 7; John L. Howard to E. Smith, 28 May 1884, box 54, folder 10; 23 June 1884, box 54, folder 15; 8 August 1884, box 54, folder

costs had not stopped the massive hemorrhaging of the company's already limited capital. Instead of reducing the miners' wages, the management cut them altogether. Several times during the year, the OIC simply shut down the mine. The OIC's coal did not compete well in San Francisco with other Pacific coals from Vancouver Island or Australia. James F. Jones, the mining superintendent for the OIC's Puget Sound operations, met with resistance from the workers after repeated attempts to cut wages. However, the company managers turned to another tactic to recoup some of the losses it incurred while trying to mine the soft Puget Sound coal.

Jones worked with John L. Howard, the company's superintendent in San Francisco, to devise a system that could take advantage of the coal mines' relative isolation. At both Franklin and Newcastle—which acted as the place of residence for both the Newcastle and Coal Creek Mines—the OIC built “company towns.” Both settlements had a boarding house, a cookhouse, and a saloon. In Newcastle the company owned thirty-three miner's cabins and ninety-four houses for those with families, as well as a doctor's office. In Franklin, the company maintained twelve houses and twenty miner's cabins. The two settlements were a near perfect attempt to control every aspect of the miner's wages.<sup>11</sup> Jones and Howard relied on the “truck system” whereby they paid the miners in company credit rather than cash. The OIC commercial properties refused to even take cash from the miners, instead insisting on company credit.<sup>12</sup> The isolation of the settlements and the total domination of property rights at both Franklin and Newcastle nearly ensured that miners would patronize the company facilities, but just in case,

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27; James F. Jones to E. Smith, 11 October 1884, Oregon Improvement Company Papers, box 44, folder 14. Special Collections, University of Washington.

<sup>11</sup> For a list of properties owned by the OIC, see “Estimated Cash Value of Insurable Property,” “Business Records,” Oregon Improvement Company Papers. Special Collections, University of Washington, quoted in Mark J. Stern, “To Bring Forth the Hidden Wealth: The Knights of Labor in the Coalfields of King County, Washington, 1885-1891” (B.A., Reed College). See also Jones to E. Smith, 20 November 1884, Oregon Improvement Company Papers, box 44, folder 20. Special Collections, University of Washington.

<sup>12</sup> James F. Jones to John Muir, 20 May 1886. Oregon Improvement Company Papers, box 45, folder 18. Special Collections, University of Washington.



“the rules of camp” threatened termination if the miners’ patronized private establishments.<sup>13</sup>

The OIC, which owned the land upon which the settlements were built, used its control over the property rights at Newcastle and Franklin to advantage as well. The managers refused to sell or lease any property to any entrepreneur intending to compete with any of the company’s businesses. At the same time the OIC management used its control of the railroad facilities from both Franklin and Newcastle, the Columbia and Puget Sound Railroad (see chapter 3 and 4 above), to ensure that all commercial goods entering the town were destined for the OIC store. By the fall of 1885, the policies established by Jones and Howard had effectively eliminated any competitive commercial establishments in the coal mining communities.

The managers policies worked well and even served to make up for some of the debts the actual mine incurred. In 1884 the company store, cookhouse, saloon, boarding house and residential rentals gave the company a profit of almost \$40,000, or according to Jones “nearly 20 cents a ton on an average of the mines production.”<sup>14</sup> Discussing the store, Jones explained to company president Elijah Smith, who resided in Boston, that “the mine store is accredited with larger profits, which are in the annual account placed to the credit of the department of mines. On account of the high rate of wages paid the workmen the store clerks are allowed to make high charges for the provisions.”<sup>15</sup> Even the doctor managed to earn a surplus for the company. The OIC paid his \$200 per month, but collected money from the workers for this expense one dollar per month from the men and 50 cents from the boys. By March 1885, the company had a surplus from this fund of over \$3300 <sup>16</sup> As the years passed, the OIC made an ever larger profit from their

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<sup>13</sup> James F. Jones to E. Smith, 16 March 1885, Oregon Improvement Company Papers, box 44. Special Collections, University of Washington.

<sup>14</sup> James F. Jones to E. Smith, 20 December 1884, “Annual report for 1884.” Oregon Improvement Company Papers, box 44. Special Collections, University of Washington.

<sup>15</sup> James F. Jones to E. Smith, 20 November 1884, Oregon Improvement Company Papers, box 44, folder 20. Special Collections, University of Washington. For profits from commercial properties see Jones to E. Smith, “Annual report,” 20 December 1884, Oregon Improvement Company Papers, box 44. Special Collections, University of Washington.

<sup>16</sup> 26 March 1885, James F. Jones to E. Smith, Oregon Improvement Company Papers, box 44. Special Collections, University of Washington.

commercial establishments on the Sound while the profitability of their coal dwindled. “While the coal tonnage from N. Castle was only a trifle over half that of 1884 in 1885,” Jones told OR&N general manager John Muir, “the profit (net) was almost as great from the store.”<sup>17</sup>

The actions of the OIC management were also affected by demands of the miners, although from the company’s perspective, profit was always the chief motive. The scale and scope, even the shape of many of the company towns were the result of miner demands as consumers. Originally, the family houses and single miners cabins, all owned by the corporation, were a profitable investment for the company. In addition, should trouble arise between the miners and the management, Jones and Howard had an effective tool for disciplining the workers: not only could they fire them, the management could deny them a place to live.<sup>18</sup> However, when demand outpaced the company’s ability to provide residences, miners created their own residential spaces within the limitations of the company towns. Single miners either lodged together in one “miner’s cabin,” or they sought residence at a “miner’s house,” which the company reserved for miners with families. However, most of these double occupancy rental residences were the result of transitory miners who could not secure promise of steady work from the company.<sup>19</sup> Instead, they sought residence with one of the “permanent” miners whose job was secure enough for him to enter into a long-term lease with company. The situation provided the miners, both permanent and temporary, with a unique opportunity for community in a working class population normally divided among such lines.

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<sup>17</sup> James F. Jones to John Muir, 20 May 1886, Oregon Improvement Company Papers, box 45, folder 18, Special Collections, University of Washington.

<sup>18</sup> The OIC used its control of the workers residence to great effect, as when in March 1886, the company threatened to evict miners demanding high wages unless they accepted the company’s offer. However, in time the miners developed a relatively stable union, and when they organized OIC wide strikes, the company was unable to simply remove all of the miners. See John L. Howard to E. Smith, 13 March 1886, Oregon Improvement Company Papers, box 57, folder 6; 29 March 1886, Oregon Improvement Company Papers, box 57, folder 7.

<sup>19</sup> On the difference between sedentary and transient labor in the West see David M. Emmons, *The Butte Irish: Class and Ethnicity in an American Mining Town, 1875-1925* (Urbana: University of Illinois Press, 1989); and Carlos Schwantes, “The Concept of the Wagerworkers’ Frontier: A Framework for Future Research,” *Western Historical Quarterly* 18, no. 1 (1987): 39-55.

Jones and Howard saw the situation differently. The OIC management responded by attempting to capitalize on the overcrowding. To Jones the overcrowding was a result of an impermanent workforce: “much of the mining labor here is of a transient character,” Jones explained to Smith, “and of a lower grade than is to be found among the Eastern Mines.”<sup>20</sup> The managers assumed that the company could provide lodging for all these “transient” miners by operating a large boarding house in each of the communities. With the boarding house, the company could obtain additional capital from its laborers, effectively forcing the miners to pay for their own jobs. In the annual report for 1883, Jones explained to Smith that “we were compelled to build a new boarding house this year, and when the rainy season is over we should relieve the crowded condition of our population by building a few more miners’ houses.” Both the boarding house and the individual houses, Jones told Smith, “are not expensive and their rental yields a large interest on the investment.”<sup>21</sup> As we will see below, with all the miners living in company housing, management received the added benefit of being able to keep a watchful eye on any miner or group of miners who might be looking to organize in response to the company’s near total control of the mining settlements.

Few miners accepted Jones’s offer to lodge in the boarding house, and initially, the miners responded to these tactics with their wallets, so to speak. The miners viewed Jones’s attempts at breaking up their communities as “the imposition of rules upon ... their privileges.”<sup>22</sup> Jones complained to Smith that “during 1884 the boarding-house at New Castle did not make a satisfactory exhibit.... I became satisfied that the bulk of the trouble has grown out of the withdrawal of patronage.”<sup>23</sup> When not enough miners patronized the boarding house, Jones began to “discourage the continuance of private

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<sup>20</sup> James F. Jones to E. Smith, 20 November 1884, Oregon Improvement Company Papers, box 44, 20. For a larger discussion of transience in western labor see Schwantes, Peck, Jameson.

<sup>21</sup> “Yearly report for 1883,” John L. Howard to E. Smith 13 Jan. 1884, Oregon Improvement Company Papers, box 54, folder 7. Special Collections, University of Washington.

<sup>22</sup> James F. Jones to E. Smith, 26 March 1885, Oregon Improvement Company Papers, box 44, folder m. Special Collections, University of Washington.

<sup>23</sup> James F. Jones to E. Smith, 16 March 1885, Oregon Improvement Company Papers, box 44, folder L. See also “Annual Report for 1884,” James F. Jones to E. Smith, 20 December 1884, Oregon Improvement Company Papers, box 44, folder. Special Collections, University of Washington.

boarding and restore it to the Company.”<sup>24</sup> Eventually, Jones instituted a 10% surcharge to any miner who boarded another in his residence, thus making the boarding house a cheaper option than sharing an individual space. Jones refused to allow miners to both labor for the company and determine where they were going to live. Jones’s policy effectively commodified the workers’ transience by selling temporary workers residential space at high rates, while limiting their options to reside elsewhere.<sup>25</sup>

Jones and Howard worked together to further capitalize on worker transience by forcing the miners living in the boarding house to patronize the company cookhouse. Jones took particular pride in its establishment. “A cook house, an institution unknown to the Eastern Mines,” Jones explained to Smith, “is kept by the Company to accommodate [transient] labor.”<sup>26</sup> By the end of 1884, the company had 225 miners patronizing its fare.

### **Anti-Chinese Violence and the Rhetoric of Community**

The miners’ power as consumers was limited because of the isolated nature of the mining camps as well as the company’s near total domination of them. For the miners to gain any ground, they needed to deal with the OIC’s control not just of their wages or working conditions, but of their community. And it was against this perceived threat of community independence that the OIC miners drew their battle lines. Similarly, the OIC miners worked to mobilize their colleagues along the lines of community. What was at issue was not just wage labor, working conditions, or even living conditions. The OIC miners argued that the company was corrupting independence in the American West.

As early as October 1884, the OIC miners were actively organizing against the corporation. Jones wrote warily to Smith in October warning him that “the miners of this place held a meeting last evening at 6 o’clock on the Base Ball grounds .... We have had

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<sup>24</sup> James F. Jones to E. Smith, 16 March 1885, Oregon Improvement Company Papers, box 44, folder L. Special Collections, University of Washington; James F. Jones to E. Smith, 26 March 1885, Oregon Improvement Company Papers, box 44, folder m. Special Collections, University of Washington.

<sup>25</sup> On the geography of labor and the commodification of space, see Gunther Peck, *Reinventing Free Labor: Padrones and Immigrant Workers in the North American West, 1880–1930* (New York: Cambridge University Press, 2000).

<sup>26</sup> James F. Jones to E. Smith, 20 November 1884, Oregon Improvement Company Papers, box 44, 20. Special Collections, University of Washington.

information of late that an effort is being made for the past two months to organize a workmen's association."<sup>27</sup> A month later Jones told Smith that "the effort making to organize a labor union looks as though it had made some progress and that an organization had been started."<sup>28</sup> In fact, the miners' "organization" was the militant Noble and Holy Order of the Knights of Labor. Although nationally the Knights espoused a belief in the unification of all laborers without respect to race, ethnicity, gender, or skill level, in Puget Sound that was not the case. Similar to other Knights, of the OIC lodge operated in secret, but unlike the national organization, they Puget Sound Knights closed their ranks to all but the adult male white workers who labored underground. Tight-knit, orderly, and closed to the rest of the community, the organization served as a place from which to organize resistance to the company policies that most aggrieved the miners.<sup>29</sup>

The company's response to the miners' initial attempts at organization was fractured. Both Jones, who oversaw all the mines from a residence on Puget Sound, and John L. Howard, the OIC general superintendent whose office was in San Francisco, saw the organization as a threat to the company's ability to dictate the terms of work in their mines and the ability of companies in general to set the terms in hiring and firing its workers. But both had different plans for dealing with the workers' organization. Jones was wary about mining organizations, but also fearful of what he called "a tendency to unnecessarily to provoke opposition and incendiarism [sic]." As a superintendent for the Philadelphia & Reading Coal & Iron Company in Pennsylvania, Jones was part of a management hierarchy that had to deal with perhaps the most perplexing labor "organization" of the nineteenth century, the Molly McGuires. When Jones was working for the Philadelphia & Reading, the company claimed that the Mollies were a

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<sup>27</sup> James F. Jones to E. Smith, 15 October 1884, Oregon Improvement Company Papers, box 44, folder 14. Special Collections, University of Washington.

<sup>28</sup> James F. Jones to E. Smith, 11 November 1884, Oregon Improvement Company Papers, box 44, folder 19. Special Collections, University of Washington.

<sup>29</sup> On the Knights, see Carlos Schwantes, "From Anti-Chinese Agitation to Reform Politics: The Legacy of the Knights of Labor in Washington and the Pacific Northwest," *Pacific Northwest Quarterly* 88, no. 4 (1997): 174-184.

widespread, secret Irish organization that sought to bring foreign rule to the American domestic mining industry.<sup>30</sup>

Jones used the spectre of the Mollies and his experience in “cracking down” on them as a comparative framework with which to judge the situation on the Sound. In November 1884, as the company was finishing what Howard had called his “scalping tour,” Jones told Smith, “the condition of the labor at the Mines of this Coast is about equal to that of Pennsylvania during the reign of the ‘Molly McGuires’ [sic]—with probably a little less of the murderous element.”<sup>31</sup> The situation at the mine needed tending, Jones reported, although the miners were not as bad as “the Mollies” that Jones had dealt with in Pennsylvania. The company needed to tread lightly, however, lest they stir up trouble where diplomacy might have been the best course.

The perspective from San Francisco looked different to John L. Howard. Howard ordered William Watkins, one of Jones’s managers at Newcastle, to find a man to infiltrate the Knights, create for the company a list of the members, and “report on what takes place at each meeting.”<sup>32</sup> Watkins chose a man by the name of McKnight, but apparently he failed to gain entrance into the organization. However, Watkins had “succeeded in arranging with another party” by the end of March 1885. The plan backfired, though, when Watkins accidentally dropped a secret letter from Howard which explained their plans. One of the miners found it on the road outside of Coal Creek and forwarded it to the organization.<sup>33</sup>

The miners’ representatives confronted Jones with the information, although he denied knowledge of the scheme. However, the attempts by Howard to infiltrate the

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<sup>30</sup> See Kevin Kenny, *Making Sense of the Molly Maguires* (New York: Oxford University Press, 1998). According to historian Kevin Kenny, the Mollies were probably never a well organized miner’s union. Kenny argues that the Mollies were not a miner’s organization but rather a loose alliance among Irish miners who spontaneously protested working conditions in the mines using a discreet set of tools that Irish miners drew upon from agrarian protests back in Ireland.

<sup>31</sup> James F. Jones to E. Smith, 20 November 1884, Oregon Improvement Company Papers, box 44, 20. Special Collections, University of Washington.

<sup>32</sup> See John L. Howard to Watkins, 24 March 1885, Oregon Improvement Company Papers, box 44, folder 45; and James F. Jones to E. Smith, 16 April 1885, Oregon Improvement Company Papers, box 44, folder 45. Special Collections, University of Washington.

<sup>33</sup> James F. Jones to E. Smith, 16 April 1885, Oregon Improvement Company Papers, box 44, folder 45. Special Collections, University of Washington.

Knights induced bad feelings on the part of the miners. To the miners, the company's attempts to infiltrate the Knights was yet another example of an unfair intrusion in the lives of the miners. With antagonism between the miners and the company growing, the management sought an alternative to the irascible and expensive miners. Knowing that other mines in the area, especially those in Vancouver, used Chinese labor, Howard and Jones set to work on a plan to introduce "non-white" laborers into the OIC's camps. "Knowing that the McAllister Mine had introduced Chinese labor quite recently," Jones told Smith in March, "I ordered it wedged in slowly at Newcastle."<sup>34</sup> The situation soon deteriorated.

The miners responded by holding a meeting of the Knights of Labor to discuss the possibility of the Chinese in their camps. "Notwithstanding the depressed condition of the business the miners held a meeting on the question of Chinese labor in the mines," Jones explained to Smith in April 1886. The white miners in the OIC coal mines told the company that they "resolved to strike if the Chinese were not taken out of the mines."<sup>35</sup> Although Jones immediately removed the Chinese at the request of the miners, the company managers turned again to Chinese labor in the fall, but this time with violent results.

On 13 September the *Seattle Post-Intelligencer* ran a story of the Newcastle miners attacking the "Chinese quarters" at Coal Creek. A few weeks before this attack, coal miners in the Union Pacific mines at Rock Springs, Wyoming had done the same.<sup>36</sup> Only a few days before the Newcastle violence, the same had occurred in the hop fields in Squak, Washington Territory also on Puget Sound. The miners had apparently mimicked the anti-Chinese violence in Rock Springs, and Squak, and organized to forcibly remove the Chinese workers at the mine. At first, the company refused to heed

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<sup>34</sup> James F. Jones to E. Smith, 26 March 1885, Oregon Improvement Company Papers, box 44, folder m. Special Collections, University of Washington.

<sup>35</sup> James F. Jones to E. Smith, 10 April 1885, Oregon Improvement Company Papers, box 44, folder 45. Special Collections, University of Washington.

<sup>36</sup> For information on the Rock Springs Massacre, see Paul Crane and Alfred Larson, "The Chinese Massacre at Rock Springs, Wyoming Territory," in *Anti-Chinese Violence in North America*, ed. Roger Daniels (New York: Arno Press, 1978); and Jeffrey Dettman, "Anti-Chinese Violence in the American Northwest: From Community Politics to International Diplomacy, 1885-1888" (Ph.D., University of Texas at Austin, 2002).

the Knights' demands and ran a "special train" with armed guards to return the Chinese to Newcastle. But when anti-Chinese violence broke out in Tacoma and Seattle, the managers changed their minds. By the end of October, W.J. Watkins, the superintendent at Newcastle "promised to discharge all the Chinese that are employed under the Company at Coal Creek."<sup>37</sup> By mid-November, the OIC had terminated all Chinese labor in the rest of its mines.

The workers' actions did not go unnoticed. The Sound elite, including the mine management, turned to newspapers and magazines and executed a determined public relations campaign against the miners, portraying them as barbarians, outlaws, and raiders in the night.<sup>38</sup> The miners, however, held a different view, arguing that the Chinese were interlopers with no rights in the community. In a letter to the *Seattle Post-Intelligencer*, one of the Coal Creek miners explained that "Chinamen in large numbers ... are a nonentity towards benefiting the community. They travel nowhere, except from one place of labor to another, and then likely on free passes." The problem, the miner explained, was that the Chinese remained separate. They shopped in their own stores, bought goods from Chinese merchants, and generally did not participate in the life of the white community. "What the railroad may directly get from Chinese labor," the miner explained, "will be more than remunerated by an increase of business consequent upon having white men living on the line of their road instead of Chinamen."<sup>39</sup> The white miners of Coal Creek saw the Chinese as outsiders, not simply because of their skin color or their language, but because they did not participate in the "community." Ideas about race were inseparable from the miners' understanding of space, and the two helped constitute each other in the minds and the critiques of the workers. However, when the miners drew the community boundaries in this way, they did impart the mining camps with a certain hue, a fact which would play into the miners' criticisms in the future.

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<sup>37</sup> *Seattle Post-Intelligencer*, 26 October 1885.

<sup>38</sup> On the elite reaction to the Chinese expulsions, see Jeffrey Dettman, "Anti-Chinese Violence in the American Northwest: From Community Politics to International Diplomacy, 1885-1888" (Ph.D., University of Texas at Austin, 2002).

<sup>39</sup> *Seattle Post-Intelligencer*, 16 September 1885.



The Knights' campaign to make the Chinese question a question of community found fertile soil in the rest of the Newcastle residents. Although not everyone in Newcastle was a member of the Knights of Labor, the vast majority of the town was somehow dependent upon the OIC for their livelihood. The residents looked to the Knights as the only organization that could stand up to the OIC. Newcastle school teacher I.F. Rich told the *Post-Intelligencer* that "we of Newcastle ... have seen one Knights of Labor organization crushed out of existence by corporate power." Still, they rallied around the Knights when the miners expelled the Chinese. "We were a happy lot of people," the schoolteacher explained, "and [we] flattered ourselves that we had got rid of the pests."<sup>40</sup>

Both the Knights and the rest of the community residents saw the Chinese problem as a problem of corporate dependence, not simply as a wage or race issue. "Imagine our feelings," Schoolteacher Rich complained, "when [the Chinese] were all brought back on a special train.... Only officers of the road and Chinamen can ride on special trains."<sup>41</sup> In the minds of the OIC miners, the Chinese workers were part of a larger problem. Corporations such as the OIC, which brought the Chinese workers to the region, were corrupting the Jeffersonian promise of the West—the economic independence of a community. By using wage labor, corporations were slowly siphoning off the dividends of nature's capital—the ore, timber, and agricultural produce of region—and leaving an impoverished landscape populated by a mass of wage-slaves.

One pro-labor paper put anti-Chinese violence into context: "Absentees and non-residents carry away our timber and coal and spend the profits ... in riotous living, perhaps in San Francisco or eastern cities." The newspaper writer, echoing the words of the miner, argued that if "all the money to be paid for coal in King County ... were retained in the city.... The colossal profits, being made by home citizens, would be re-expended amongst the laboring and trading classes." The inevitable result, he claimed would "augment the wealth of our common city."<sup>42</sup> As it was, however, corporations such

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<sup>40</sup> Seattle *Post-Intelligencer*, 29 September 1885.

<sup>41</sup> Seattle *Post-Intelligencer*, 29 September 1885.

<sup>42</sup> Seattle *Daily Call*, 28 September 1885.

as the Oregon Improvement Company were not living up to their end of the bargain. Far from “improving” the region, as its name suggested, the OIC was taking the region’s wealth away, and enriching “San Francisco or eastern cities.” Equating the western city of San Francisco with those of the East, the miner drew a boundary around the Pacific Northwest. At stake was not just white workers wages, but the ability to define and police the very boundaries of the community.

### **Drawing Borders Around a Company Town: The Knights of Labor and the OIC**

The Knights at Newcastle might have been successful in removing the Chinese workers from their mine, but the geographic distance between Newcastle and the rest of the mining communities on the South, helped to enhance the social distance between their residents, miners and non-miners alike. Indeed, there was little if any communication between the miners in Newcastle and those in Franklin. Both groups of workers struggled to police the boundaries of their respective communities against “intrusions” by the OIC. In December and January, labor agitation plagued the OIC mines, but the managers successfully dealt with the miners’ demands. By the spring of 1886, however, the two communities organized with each other to protest the company’s monopolization of space, and the effect of their combination was powerful.

In both Newcastle and Franklin in the winter of 1885-86, OIC miners lodged protests against the company and its policies. At Franklin, the miners demanded a 38 1/2% wage increase on account of the high cost of rents and the onerous rates charged at the company store. T. J. Milner, the superintendent at Franklin, promised the miners that the OIC management would make an adjustment, but that he could not make the decision. The miners went back to work, only to strike again one month later, this time for a 40% advance, again arguing that the wages did not cover the cost of living in the company town. Jones complained to Howard that “The strike could probably have been averted by taking proper hold of it last month when it was found that the men were not earning

sufficient wages.”<sup>43</sup> The Franklin miners finally returned to work on 20 January with an advance of about 20%.

The troubles at Franklin were mirrored by protests from the Knights at Newcastle in December. Citing the depressed condition of the coal the OIC managers laid off 40 to 50 miners at Newcastle. Jones and the Newcastle superintendent William J. Watkins took advantage of the opportunity and terminated almost exclusively members of the Knights. From there the questions crystallized over who had the right to “run” Newcastle. The miners objected to the OIC policy of singling out and terminating members of the Knights, while the company managers steadfastly held that they should be the ones who determined who would be hired and fired. The Knights responded by taking their community critique to the public sphere.

In series of what the Seattle newspapers called “mass meetings,” the miners drafted and voted on a series of resolutions spelling out their spatial critique of the company and its policies. “The grievances set forth by the speakers were to the effect,” reported the *Seattle Post-Intelligencer*, “that Mr. Watkins, the superintendent [at Newcastle] is endeavoring to break up the assembly of Knights of Labor recently organized there, by discriminating unfairly against some of its members.” According to the miners, eliminating the Knights was “a piece of tyranny ... and would not stop short of returning Chinese labor to drive out white labor again.” Destroying the Knights would have destroyed the community, opening it up to the Chinese and “driving out white labor.”<sup>44</sup> The miners interpreted the right to organize an assembly of the Knights of labor as one of the many *privileges* that stemmed from the *right* to control your own community.

Ironically, the miners responded to the OIC by going beyond the boundaries of the Sound to the national power of the Knights. “We are credibly informed,” the miners threatened, “that the great body of the Knights of Labor who are all powerful beyond the

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<sup>43</sup> See James F. Jones to E. Smith, 21 December 1885, Oregon Improvement Company Papers, box 45, folder 7; and James F. Jones to John L. Howard, 7 January 1886, Oregon Improvement Company Papers, box 45, folder 10. Special Collections, University of Washington.

<sup>44</sup> *Seattle Post-Intelligencer*, 23 December 1885.

limits of Newcastle will not permit the assembly at this place to be disorganized, and that an assault upon the assembly ... here will ... be taken to be an assault upon the whole order.” If the OIC, an internationally financed corporation with headquarters in Boston, tried to assert control from outside the region, then the Knights would respond with a similar nationalized power. They threatened a “systematic boycott of sale of ... Newcastle [coal] at Seattle, Portland, and San Francisco.”<sup>45</sup> The OIC was not the only organization in the Pacific Northwest whose power stemmed from forces outside of the region.

The Knights’ critique was firmly rooted in the social space embodied in gendered roles of work and domesticity. “There are a number of men out of employment who are dependent upon work at the Newcastle coal mines for their living,” the resolutions passed by the Knights began. “Some of these men have families and are unable to get work at present, while there are others, some young single men, who are working so many hours as not to be able to secure the requisite amount of sleep.” To remedy this situation, the miners urged the company to “make room for the unemployed, by dividing the work so as to give them enough days work in the week to pay theirs and their families support, and this can be greatly assisted by the reduction of the great excess of hours given to some men.”<sup>46</sup> The Newcastle Knights proposed to reformulate labor in the mines, based on a larger cooperative program of splitting work. The issue, the miner’s argued, was not simply one about wages in the mines, but about subsistence at home. This new program, they argued, would benefit not only the miners, but miners’ families as well. It was the families, that is wives and children, that suffered so much when a miner was unable to secure steady or well paid employment. The Knights argued that if company managers were going to dictate the terms of residence for the community, then the company had to assume some of the responsibility of maintaining that community.

The OIC managers responded to the Knights’ criticisms with the same language of community ownership, albeit from a different perspective. Newcastle superintendent

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<sup>45</sup> Seattle *Post-Intelligencer*, 23 December 1885.

<sup>46</sup> Seattle *Post-Intelligencer*, 23 December 1885.

T.J. Milner articulated the company's response in an article entitled "The Company Position" published in the *Seattle Post-Intelligencer* the day after the Knights printed their resolutions. "The Oregon Improvement Company would hereafter either operate its mines and employ whomsoever it pleases," Milner told the paper, "or it will shut the mines down."<sup>47</sup> Milner, and the rest of the OIC management in Puget Sound and San Francisco all agreed. The mining camps at Newcastle and Franklin were built by the OIC, and the OIC that had the right to shape them as they pleased.

### **Mobilizing Community: The Lock-Out of 1886**

The new year 1886 passed without serious difficulty, even if the miners intermittently lodged protests against the OIC management. However, by mid-January the OIC management was complaining about the depressed coal market and decided to cut one of the two shifts at Newcastle in order to economize. On 1 February the miners demanded that the company switch from a day wage to a fixed price per yard of coal mined, the miners wanted \$14 per yard (it seems that the miners averaged about 4 yards per day). Howard, who happened to be in Seattle at the time, ordered Jones to shut down the mine and lock out the workers.<sup>48</sup> Thus began a protest that would shut down both the Newcastle mines and the Franklin mines for over four months. Initially an argument about wages, the conflict between OIC miners and their employers quickly focused around ideas of community. In the end, the miners moved beyond a rhetoric of community and worked to unite the disparate and geographically isolated OIC mining camps into a common cause that would be the basis of collective action in the future.

Jones wrote to another OIC manager after the lockout was over and explained that "it is not a question of wages as much as of other difficulties."<sup>49</sup> Chief among the Newcastle miner's grievances was the company store. One frustrated miner wrote to the *Seattle Post-Intelligencer* that "seven-tenths of the wages earned by the employees of the

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<sup>47</sup> *Seattle Post-Intelligencer*, 24 December 1885.

<sup>48</sup> John L. Howard to E. Smith, 27 February 1886, Oregon Improvement Company Papers, box 57, folder 4 Special Collections, University of Washington.

<sup>49</sup> James F. Jones to John Muir, 20 May 1886, Oregon Improvement Company Papers, box 45, folder 18. Special Collections, University of Washington.

Oregon Improvement Company return to the coffers of this same company through their 'pluck me' stores."<sup>50</sup> By March, Jones informed Howard that the Newcastle miners intended "to demand the abolishment of the OIC store."<sup>51</sup> In 1885, the managers had increased the profit of the store, which had never been looked upon as a welcome community institution, by some 40%, and were netting an average of 21% clear profit on all sales. "The store profits," Jones explained to Smith, "were greater in 1885 than ever before."<sup>52</sup> Similarly, the boarding house was the source of constant conflict between the miners and the management. In 1885, according to Jones, "the miners were also forced against their wished into the Company's boarding house, and the profits from this house was increased 12 1-2 times in '85 compared with '84."<sup>53</sup>

The miners objected to other company policies that monopolized space, such as the company's control of the railroad to and from Newcastle. Separated from Seattle by a series of mountainous ridges as well as Lake Washington, Newcastle is situated upon a bluff, surrounded by heavily forested hills. The company town was isolated and difficult to get to. But the company often used this isolation to curry favor upon certain workers, and would, according to one miner grant some "free passes over the road between Newcastle and Seattle, so that they could take a trip at their sweet will and pleasure."<sup>54</sup> Known as the "Superintendent's pets," the descriptions of these miners bore a resemblance to the Chinese workers that came in and left the mining camps on special trains.

Even after the company offered the Newcastle miners at advance on their original wages, from \$1.70 to \$3 per day, the miners refused.<sup>55</sup> Jones pondered that "the 'truck system' business is always an irritant to labor and when the charges are allowed to become unreasonable it is not often they fail in upsetting [sic] it." So heavy-handed was

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<sup>50</sup> *Seattle Post-Intelligencer*, 18 May 1886

<sup>51</sup> James F. Jones to John L. Howard, 12 March 1885, Oregon Improvement Company Papers, box 45, folder 15. Special Collections, University of Washington.

<sup>52</sup> James F. Jones to E. Smith, 25 May 1886, Oregon Improvement Company Papers, box 45, folder 20. Special Collections, University of Washington.

<sup>53</sup> James F. Jones to E. Smith, 25 May 1886, Oregon Improvement Company Papers, box 45, folder 20. Special Collections, University of Washington.

<sup>54</sup> *Seattle Post-Intelligencer*, 5 May 1886.

<sup>55</sup> *Seattle Post-Intelligencer*, 3 March 1886.

the company's control that even Jones wrote that "it is not to be wondered that these people are so bitter against the officers of the mines."<sup>56</sup>

The Knights at Newcastle turned to the railroad—a space of the company's making—against the OIC. Although they did not have control of the locomotives that ran along the tracks from Seattle to Franklin, the road did provide the miners with a relatively easy, albeit lengthy, route to their fellow miners on the Sound. The Knights, taking the lead in the troubles, convinced the miners at Black Cedar River and Black Diamond to stop work and join their cause. But the situation was different at Franklin, thirty miles to the south, where the OIC coal mine was running relatively smoothly. So in late February, John Sullivan—a miner at Newcastle, a member of the Knights, and recent candidate for the position of Territorial Mine Inspector—and a committee of miners tramped the length of the Columbia & Puget Sound Railroad's track down to Franklin, to enlist the aid of the miners there. But the Franklin miners, also OIC employees, were not anxious to join the Newcastle cause. They had only recently fought for a 20% wage increase, and the Knights were not as strong in the Franklin camp, so there was no institutional link between the two sets of miners. When Sullivan and his committee reached Franklin, the miners took a vote and decided not to join in the strike. Disappointed, the handful of Newcastle miners sent word to the Knights that Franklin had balked.<sup>57</sup>

Refusing to take no for an answer, the rest of the Newcastle Knights determined to make a show of force to convince the Franklin miners to join the cause. Miners walked "from Newcastle via Renton, Cedar Mountain, and Black Diamond to the Franklin Mine [along the C&PSRR] a distance of nearly thirty miles, to induce the men there to suspend work," the *Post-Intelligencer* informed its Seattle readers. Originally, made up of 65 Newcastle miners, the force increased with each stop along the C&PSRR. By the time the miners reached Franklin, their numbers had nearly doubled. The next morning they stationed themselves at the opening of the mine and refused to let the Franklin men enter. Eventually, the Franklin miners acquiesced and agreed to hold out until the Newcastle

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<sup>56</sup> James F. Jones to Muir, 20 May 1886, Oregon Improvement Company Papers, box 45, folder 18. Special Collections, University of Washington.

<sup>57</sup> *Seattle Post-Intelligencer*, 25 February 1886.

miners received a satisfactory agreement. The Newcastle Knights had used the threat of violence to remove the Chinese labor in the coal mining camps, and were not averse to turning to the same tactics when it came to their fellow white miners. Later, when it looked as if the Franklin miners were going to abandon the cause, Jones reported to Howard that the Newcastle men had issued “a threat, that if [the Franklin miners’] would go to work they would certainly meet with serious opposition.”<sup>58</sup>

The road also provided more positive links than as an avenue for violence. The Newcastle miners sent provisions to the other miners along the C&PSRR. As early as 5 March, Jones reported that “A box of provisions was sent the Franklin men yesterday from New Castle, presumably from their society.”<sup>59</sup> Even when the Franklin miners considered going back to work, the Newcastle ties helped keep them on strike. In early April, Jones reported that the Franklin miners “indicated a desire for resuming work ... but before going to work they would like to send a committy [sic]” to Newcastle. They returned, he told Howard, “with a promise of support, in food, while the strike continued.”<sup>60</sup>

Ironically, it was the ties outside of the OIC camps that allowed the Newcastle Knights to so effectively keep the Puget Sound miners together. As Jones recalled, the provisions came “presumably from their society,” or the Knights in Seattle, who were actively aiding the OIC miners throughout the trouble. But the Seattle Knights were joined by a number of Seattle merchants. “The men receive support I think from outsiders,” Jones told Howard, “the Seattle Store Keepers [are] now supplying the bulk of the strikers’ provisions.”<sup>61</sup> Seattle merchants, who may or may not have been sympathetic to the demands of the workers, were at least united with them on the miners’ attempts to break the monopoly of the company store and the boarding house. By providing the

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<sup>58</sup> James F. Jones to John L. Howard, 2 April 1886, Oregon Improvement Company Papers, box 45, folder 16. Special Collections, University of Washington.

<sup>59</sup> James F. Jones to John L. Howard, 5 March 1886, Oregon Improvement Company Papers, box 45, folder 15. Special Collections, University of Washington.

<sup>60</sup> James F. Jones to John L. Howard, 2 April 1886, Oregon Improvement Company Papers, box 45, folder 16. Special Collections, University of Washington.

<sup>61</sup> James F. Jones to John L. Howard, 12 March 1886, Oregon Improvement Company Papers, box 45, folder 15. Special Collections, University of Washington.



strikers with provisions, the merchants hoped to break the company's stranglehold on supplying the miners, one of the most lucrative aspects of western mining. The OIC paid about \$30,000 in wages per month to the OIC miners, but most of this stayed in the company's coffers. An outcome in favor of the miners, the merchants hoped, would help funnel some of that money into Seattle, and not back to Boston, New York, and the hands of the OIC stockholders.

The response to these protests from the OIC managers shifted over time, but like the workers' protests themselves, centered on the language and logic of "independence" and ownership. The managers, lead by both Howard and Jones, waged war on the miners in both the material and rhetorical realms. Jones and Howard turned to the newspapers to plead their case in front of the region's reading public. Falling back on their rights as property owners—of both the real estate of the mining towns and the more abstract owners of the corporation—the OIC managers argued that "there was one principle upon which his company intended to insist, and that was that as no employer could force a man to work against his will, so no man should force [a company] to employ him against their desires." Howard went on to argue that employers had an "inalienable right" to control their own property, and the attempts by the Knights to regulate employment practices was "an interference of personal liberty such as is intolerable in a free country."<sup>62</sup> The corporation, in Howard's definition, was a legal actor, and his property, just like that of the Free Soil farmer who first settled the West, was inviolate. To the OIC management, any attempts by workers to dictate the terms of their labor was an infringement upon the corporation's right to control its own property.

The OIC managers turned to their property. "We have now taken the aggressive," Howard informed Smith, "and have notified certain miners who have not been unfavorable to the company to begin work ... [or] otherwise to vacate the houses."<sup>63</sup> Howard called the company's tactics "the starvation policy," and though he considered it to be "a hard solution of the problem," he determined that "it is the correct one," for it

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<sup>62</sup> Seattle *Post-Intelligencer*, 16 May 1886.

<sup>63</sup> John L. Howard to E. Smith, 13 March 1886, Oregon Improvement Company Papers, box 57, folder 6. Special Collections, University of Washington.

would get “rid of the turbulent spirits.”<sup>64</sup> It appears, though, that the policy did not work, and it only aroused public resentment. Even the fairly pro-corporate *Post-Intelligencer* described the miners as “nearly all poor men with families,” for whom the shut-down was “a dire calamity.”<sup>65</sup>

The economic situation outside of Puget Sound helped determine the conclusion of the lock-out and strike in 1886. A glut of foreign coal from British Columbia and Australia had allowed the company to withstand such a long work stoppage in the first place, but by late spring, the market in San Francisco was ready for more. Eager to take advantage of the temporary upswing, the company came to terms with the miners who showed no signs of backing down from their demands (indeed, it seems as if their attempts to unite the miners and draw support from the merchants outside of the mining camps were holding). The final terms demonstrated a nearly complete victory on all the points put forth by the miners. Although the OIC reserved the right to own and lease houses to miners, it no longer would force them to board in the boarding house, nor would it mandate that they shop only at the company store. In addition, no miner would be discriminated against for his role in the strike nor his membership in the Knights. Finally, the miners also received the advance in pay that had initially precipitated the strike. Jones called a “complete surrender to the demands of the workmen.” He told another OIC manager that “it strikes the mining interests of this region a staggering blow.”<sup>66</sup>

The managers and the miners understood the outcome differently. In an interesting, yet telling turn of phrase, Jones agreed that with the miners’ success, “labor is thus demoralized.”<sup>67</sup> Miners would continue on a course of “petty strikes,” he claimed. As long as the market for coal was good, corporations like the OIC would have to give in

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<sup>64</sup> John L. Howard to E. Smith, 29 March 1886, Oregon Improvement Company Papers, box 57, folder 7. Special Collections, University of Washington.

<sup>65</sup> *Seattle Post-Intelligencer*, 6 February 1886.

<sup>66</sup> James F. Jones to Muir, 22 May 1886, Oregon Improvement Company Papers, box 45, folder 18. See also, James F. Jones to Muir, 25 May 1886, Oregon Improvement Company Papers, box 45, folder 18. Special Collections, University of Washington.

<sup>67</sup> James F. Jones to Muir, 22 May 1886, Oregon Improvement Company Papers, box 45, folder 18. Special Collections, University of Washington.

to the miners, driven as they were by radical outside interests. The miners' disagreed. John Sullivan, who emerged from the lock-out and strike as a leader of the mine interests on the Sound argued that "the miners have not followed the leadership of 'ignorant and malicious' persons. They have been led by their own extensive experience as practical coal miners."<sup>68</sup> The miners, Sullivan implied, were not the dependents to outside influences, be they radical agitators or non-local corporations. Indeed, if community power was the key to the successful completion of the 1886 strike, then it was the internal community that the company had to break in order to control the mining camps of the Sound.

### **Community Divisions: 1888-89**

After the lockout in 1886, the Knights increased their strength in the mining camps on the Sound. They branched out from Newcastle and Franklin to Cedar River and Black Diamond, organizing new mines such as the Seattle, Lake Shore & Eastern coal mine at Gilman, east of Newcastle and Coal Creek. However, the growth in regional power spurred on by a radicalization of the Newcastle miners came at the cost of internal division at the Newcastle lodge itself. Their victory in the conflict in 1886 had brought new management to the Knights. Sullivan went on to become the Territorial Coal Mine inspector, while H.T. Jones, a man who had gained prominence in the anti-Chinese violence, fell out of favor with the miners. A miner named Frank Terrace stepped in and assumed the leadership position in Newcastle.

The Knights at Newcastle split with the arrival of new leadership, and a splinter group, the Miners' Union formed. According to the Knights and Miners' Union members alike, the differences were ideological. "The members of the Miner's and Mine Laborers Association," a member of the Miners' Union told the *Seattle Daily Press*, "are principally Knights of Labor who resolved to leave that organization, when ... extremists adopted the policy [that] differed from them in regard to the course we ought to

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<sup>68</sup> *Seattle Post-Intelligencer*, 15 April 1886.

pursue.”<sup>69</sup> Their victory over the company in 1886 had emboldened some of the Knights, turning them into, in the words of the Miners’ Union, “extremists.” Howard categorized the split as one between a “conservative element,” the Miners’ Union, and “the Radical party,” the Knights.<sup>70</sup> Although this radicalism might have helped them gain strength across the mining camps of the region as a whole, ultimately it threatened the Knights in their stronghold of Newcastle. For the company, this was an opportune moment, and the split within the Knights at Newcastle gave the OIC managers a chance to regain some control over their “property.”

A dispute over the position of a fireman in May 1888 brought the two rival organizations to a violent conflict. When Kelley Ramsey, an OIC fireman and member of the Newcastle Knights of Labor, asked for a one-week leave to visit a friend in the OIC’s Gilman mine, he was temporarily replaced by Stephan Vaughn, a member of the rival Miners’ Union. The Knights at Newcastle refused to allow Vaughn to take the position and quickly sent word to the surrounding mining camps that the company was showing favor to the Miners’ Union. Ramsey immediately returned with 150 Knights from the surrounding mines and proceeded to close down the mine.<sup>71</sup> Then, according to Howard, “a mass meeting was held attended by the Knights from New Castle, Gilman, McAllister, Black Diamond, and Franklin mines at which resolutions were passed that no men should be employed at New castle who were not qualified according to the views of the Committee of Knights.”<sup>72</sup> The Knights demanded that the OIC “recognize the Knights of Labor Work Committee,” and allow that committee the right to determine the fitness of a worker.<sup>73</sup> Howard stood firm, afraid that the resolutions would necessitate “the expulsion of all miners who would not come into the fold.” The incident ended when both sides dropped their demands and the OIC returned Ramsay to his position.

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<sup>69</sup> *Seattle Daily Press*, 25 May 1888.

<sup>70</sup> John L. Howard to E. Smith, 30 May 1888, Oregon Improvement Company Papers, box 58, folder 25. Special Collections, University of Washington.

<sup>71</sup> *Seattle Daily Press*, 24 May 1888.

<sup>72</sup> John L. Howard to E. Smith, 30 May 1888, Oregon Improvement Company Papers, box 58, folder 25. Special Collections, University of Washington.

<sup>73</sup> *Seattle Daily Press*, 24 May 1888.

Although the incident ended well enough in the minds of the OIC managers, T.J. Milner, who was now superintendent of all the Puget Sound Mines, was concerned with the lack of support he had received from the county officials. When the force of 150 miners came into Newcastle and shut down the mine, the managers had asked the county sheriff to intervene on their behalf by forcing the miners back to work. King County sheriff William Cochrane had refused the managers' request, arguing that he saw no need for his use of force as no property had been violated and no violence had ensued. The company officials charged Cochrane of being in the pocket of the Knights (his was an elected position), while the miners came to his defense.<sup>74</sup> The Knights argued that in the independent American West, standing armies were anathema. "Can a sheriff go into a mining country and with his deputies stand around and guard the property when nothing has been threatened?"<sup>75</sup> The Knights' response notwithstanding, the OIC managers learned that Cochrane, whether a "union man" or not, could not be counted on if the situation were to arise again.

These issues were undecided at the end of May 1888 when the OIC mines reopened—the Knights were eager to consolidate their power in Newcastle, while the company was eager to exploit the divisions within the community. Both sides knew, however, that such divisions could lead to violence. If that came to pass, neither knew what the response from the territorial officials might be.

Violence again broke out in December 1888. Company officials wanted to open another shaft at Newcastle, and in defiance of the Knights hired only Miners' Union men for the labor. The Knights demanded that the company also hire Knights, which the managers refused to do. Soon after, the managers at Newcastle replaced a Knight miner with William Doyle, one of the leaders of the Miners' Union. According to the system of rotation worked out in the aftermath of the 1886 lockout, Doyle's position was supposed to go to a Knight, but again the company ignored the Knights demands. The Newcastle Knights struck on Christmas eve. The company had enough Miners' Union men to

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<sup>74</sup> See *Seattle Daily Press*, 25, 26 May 1888.

<sup>75</sup> *Seattle Daily Press*, 25 May 1888.

continue work so a stalemate ensued.<sup>76</sup> On New Year's day, leaders—as well as rank and file members—met at the Newcastle baseball field to discuss the differences existing between the two unions. Instead of talking, however, a brawl ensued between two of the opposing leaders, Frank Terrace of the Knights and H.T. Jones of the Miners' Union.<sup>77</sup>

Knights from one of the nearby mines at Gilman heard about the OIC's attempt to destroy the order at Newcastle, and immediately put forth a show of force in solidarity. They struck at Gilman and shut down the mine (the Miners' Union existed only at Newcastle). Then a sizable force of Gilman Knights marched to Coal Creek—different newspapers reported different numbers, the generally pro-labor *Daily Press* estimated their number to be 45 to 50, while the *Post-Intelligencer* estimated that the Gilman Knights numbered anywhere from 100 to 300. At Coal Creek they took possession of a company train and steamed into Newcastle. What happened next varies according to different accounts. Violence broke out in Newcastle when the Gilman Knights reached town. By the end of it, one man was dead, a Knight named William Ruston from Gilman, and nine men were injured.<sup>78</sup>

The OIC management wired a number of Territorial officials to protect what they saw as imminent danger to their property. King County Sheriff Cochrane came immediately and appointed several deputies “for the purpose of preserving the peace and protecting life and property.”<sup>79</sup> Neither Milner nor Howard, however, were convinced that the sheriff was going to help, given his tepid response to the troubles in May. OIC attorney at Seattle, J.C. Haines, who happened to be a colonel in the National Guard, wired the governor asking for permission to send troops to Newcastle. Governor Eugene Semple, however, was away investigating another labor dispute, and did not reply.

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<sup>76</sup> Seattle *Daily Press*, 22 January 1889.

<sup>77</sup> Seattle *Daily Press*, 25 January 1889.

<sup>78</sup> For information about the violence, see Seattle *Daily Press*, 4 January 1889; and Seattle *Post-Intelligencer* 5, 6, January 1889. No source explains to which side any of the nine injured men belonged, Knight or Miners Union.

<sup>79</sup> Statement of William Cochrane touching the charges preferred by Eugene Semple, Governor of Washington Territory against T.J. Hamilton, Marshal for Washington Territory, quoted in “Trouble in the Coal Mines, 1889: Documents of an Incident at Newcastle, W.T.,” *Pacific Northwest Quarterly*, 37 (July 1946): 231–257. This is a collection of letters regarding an official investigation of the actions of Territorial officials in response to the Violence at Newcastle.

Haines then sent two detachments to Newcastle without orders from the Governor.<sup>80</sup> Cochrane chafed at Haines's guard units, arguing that they did more to inflame the situation than to calm it. He told Haines that his deputies had the situation under control, and besides, he had had word from Semple, who expressly denied the guard's jurisdiction. So Cochrane, with the governor's consent, labeled the guard an unlawful intrusion upon the rights of the town and ordered them to disperse. Haines left soon after and an uneasy peace ensued.<sup>81</sup>

The question of community sovereignty, simmering in the background during the split between the Knights and the Miners' union, came to the forefront in the weeks that followed the riot. The OIC installed H.W. McNeill, a seasoned veteran of the Iowa coal fields, as the superintendent at Newcastle. McNeill immediately strengthened the company's policy of favoritism. On 16 January, he distributed "about 30 Winchester repeating rifles ... among the members of the Miners' Union."<sup>82</sup> The Knights responded with public outrage and held a meeting in protest where they published resolutions questioning the right as well as the wisdom of the company to arm their rivals. They claimed that the managers had put the rifles "in the hands of boys of fourteen and upwards who paraded the streets with them ... to the menace and constant danger of law abiding people." The Knights of the surrounding coal mine staged a walk-out in sympathy with the Newcastle members, and on 21 January, miners from Gilman, Black Diamond, Cedar Mountain, and Franklin all left their jobs and shut down their respective mines. The Knights also threatened to arm themselves in self-defense.<sup>83</sup>

The managers interpreted these events as an immediate threat, and again took steps to bring in outside force to stop violence before it started. With the sheriff and governor allied against the use of force in labor disputes, the company could not depend

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<sup>80</sup> For details of the narrative, see Alan A. Hynding, "The Coal Miners of Washington Territory," *Arizona and the West*, 12 (1970): 221–236.

<sup>81</sup> *Seattle Daily Press*, 7 January 1889.

<sup>82</sup> *Seattle Post-Intelligencer*, 20 January 1889.

<sup>83</sup> The Knights apparently did arm themselves, but not until 21 January. Two days after Hobart McNeill telegraphed for private armed guard to come from Portland, and after their arrival, members from the Seattle lodge of the Knights of Labor sent a case of 50 rifles to Newcastle J.C. Haines to Attorney General A.H. Garland, 21 February 1889, quoted in "Trouble in the Coal Mines, 1889: Documents of an Incident at Newcastle, W.T.," *Pacific Northwest Quarterly*, 37 (July 1946): 231–257.

upon the national guard to help enforce labor discipline, even though an OIC manager held a prominent position in the guard. McNeill had to seek assistance even farther away than Seattle. Before contacting any of the territorial officials, he wired to M.C. Sullivan of Portland, Oregon for a detachment of “private detectives,” from Thiel’s Detective Agency. “Having no reason to believe I could depend on the Sheriff,” he told company president Elijah Smith, “I had telegraphed to Sullivan of Portland (the detective agency) to be here with some men.”<sup>84</sup> Thiel’s Detective Agency was a western version of the famed Pinkerton detectives. Both agencies performed many functions, one of which by the late nineteenth century was to act as private armed forces hired by corporations to enforce labor discipline.<sup>85</sup> Sullivan’s men had recently helped other mining companies in Washington, and McNeill hoped they could prove useful at Newcastle. When the private guards reached Newcastle, McNeill convinced the U.S. Marshal to deputize them in order to avoid legal trouble that might arise from maintaining and employing an armed body of men on the company’s payroll (without the consent of either the county or territorial government). Thus, with his guards in place, McNeill issued an order to the Knights, saying that the company would not discriminate against workers who were members of the Knights, but that “the men who are now out, left the work voluntarily, nearly all their places have been filled.” Although it was his intention all along to use the strike as a means of ridding Newcastle of the Knights, McNeill told Smith that “I reserved my decision until today to get all my force at New Castle.”<sup>86</sup> Only with the aid of armed guards from outside the company towns could the managers effectively quell the opposition from the Knights.

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<sup>84</sup> Hobart McNeill to E. Smith, 22 January 1889, Oregon Improvement Company Microfilm, roll 10.

<sup>85</sup> On the Pinkerton Detectives and labor relations, see Kevin Kenny, *Making Sense of the Molly Maguires* (New York: Oxford University Press, 1998); J. Anthony Lukas, *Big Trouble: A Murder in a Small Western Town Sets off a Struggle for the Soul of America* (New York: Simon & Schuster, 1997); and Katherine G. Morrissey, *Mental Territories: Mapping the Inland Empire* (Ithaca, N.Y.: Cornell University Press, 1997).

<sup>86</sup> Hobart McNeill to E. Smith, 22 January 1889, Oregon Improvement Company Microfilm, roll 10.



The Knights at Newcastle and territorial officials sympathetic to their cause looked upon the private guards from Portland as “an armed invasion of this Territory.”<sup>87</sup> Both the governor and the King County sheriff dismissed the company’s calls for intervention after the January 24 strike, claiming that the OIC managers simply wanted an armed body of men to enforce their will over the miners. Cochrane called the company’s fears “prompted by needless alarm,” while Governor Semple labeled notices from the OIC management as “‘panicky’ telegrams.”<sup>88</sup> Semple was so upset that U.S. Marshal Hamilton had exceeded his authority in deputizing the private guards, that he asked the U.S. Attorney General to investigate the events in late January 1889. During the investigation, Cochrane noted that the OIC managers had employed Sullivan’s guards “before notice was served” to territorial officials that the OIC property might be in danger. The guards in Cochrane’s opinion, were in Newcastle “for no other purpose ... than to terrorize the Knights of Labor... and to frighten them and their families from their homes” calling them He argued that the guards were “unfit to hold and responsible position, as in my opinion many of the are escaped criminals.”<sup>89</sup> There is no other evidence of the criminal background of the guards, but it is safe to say that the Knights at Newcastle and in the surrounding coal mines looked upon these privately armed guards as an infringement upon community sovereignty. Cochrane told Semple that “the miners

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<sup>87</sup> Eugene Semple to Attorney General A.H. Garland, 11 February 1889, quoted in “Trouble in the Coal Mines, 1889: Documents of an Incident at Newcastle, W.T.,” *Pacific Northwest Quarterly*, 37 (July 1946): 231–257.

<sup>88</sup> Statement of William Cochrane touching the charges preferred by Eugene Semple, Governor of Washington Territory against T.J. Hamilton, Marshal for Washington Territory; and Eugene Semple to Attorney General A.H. Garland, 11 February 1889, quoted in “Trouble in the Coal Mines, 1889: Documents of an Incident at Newcastle, W.T.,” *Pacific Northwest Quarterly*, 37 (July 1946): 231–257.

<sup>89</sup> “Statement of William Cochrane touching the charges preferred by Eugene Semple, Governor of Washington Territory against T.J. Hamilton, Marshal for Washington Territory;” and William Cochrane to Eugene Semple, 31 January 1889, both quoted in “Trouble in the Coal Mines, 1889: Documents of an Incident at Newcastle, W.T.,” *Pacific Northwest Quarterly*, 37 (July 1946): 231–257. Cochrane also stated in his deposition that the Knights were circulating a petition to the coal miners in King County in protest of the guards., quoted in “Trouble in the Coal Mines, 1889: Documents of an Incident at Newcastle, W.T.,” *Pacific Northwest Quarterly*, 37 (July 1946): 231–257.

at Newcastle and the community in general look upon [Sullivan's guards] as an unlawful armed force."<sup>90</sup>

Semple blamed the OIC. In response to the company's belated call for the National Guard (which came after they hired the detectives), Semple argued that the National Guard did not exist to serve "any corporation that can pay per diem and furnish them with transportation and subsistence."<sup>91</sup> In a report issued earlier that year about the use of private guards in labor disputes, Semple had criticized "the system by which corporations or rich individuals claim the right to maintain a standing armed force to overcome opposition to their schemes." He called such armed forces "a serious menace to our free institutions," and the private guards were merely "instruments of the rich and strong for the oppression of the poor and weak."<sup>92</sup>

Ultimately, the Attorney General weighed in on the side of the OIC. The company managers convinced the investigators from the office of the Attorney General that their property was indeed at risk. More importantly, however, the company argued that the US mail facilities at Newcastle were endangered. It was a possible threat to government property that tipped the scales in favor of the OIC. As McNeill told Attorney General A.H. Garland, "I believe that if Marshall Hamilton had not taken the action he did, the Post-Office [and] bridges on the Railroad would have been destroyed."<sup>93</sup> However, the line between federal and private property was blurred in Newcastle. In addition to the fact that Sullivan's men were deputized as US Marshals and paid by the OIC, the Post Office in Newcastle was the OIC company store. Furthermore, the postmaster was the store

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<sup>90</sup> William Cochrane to Eugene Semple, 31 January 1889, quoted in "Trouble in the Coal Mines, 1889: Documents of an Incident at Newcastle, W.T.," *Pacific Northwest Quarterly*, 37 (July 1946): 231–257.

<sup>91</sup> Eugene Semple to Hobart McNeill, 24 January 1889, Eugene Semple Papers, Special Collections, University of Washington, quoted in Mark J. Stern, "To Bring Forth the Hidden Wealth: The Knights of Labor in the Coalfields of King County, Washington, 1885-1891" (B.A., Reed College), p. 70.

<sup>92</sup> *Report of the Governor of the Territory of Washington to the Secretary of the Interior, 1888* (Washington, D.C.: G.P.O., 1888).

<sup>93</sup> Hobart McNeill to Attorney General A.H. Garland, 21 February 1889, quoted in "Trouble in the Coal Mines, 1889: Documents of an Incident at Newcastle, W.T.," *Pacific Northwest Quarterly*, 37 (July 1946): 231–257.

clerk, and his pay came entirely from the company. Finally, the OIC had the mail contract to ship mail from Seattle to Newcastle on OIC trains.<sup>94</sup>

In the end, the existence of Sullivan's armed guards, backed by the federal government, forced the Newcastle Knights to back down. The fact that the Knights from the other mines came out in support of the Newcastle Lodge and that Governor Semple and Sheriff Cochrane supported them as well, demonstrates the reach of the Knights in the Territory. Yet their organization at Newcastle itself was split, which allowed the OIC managers an opportunity to try to eliminate the Newcastle lodge altogether. They failed to eliminate the Knights, but won important legal concessions giving the company the right to tap into power from outside of the territory—first Portland in the form of Sullivan's guards, then Washington, D.C., in the form of the National Guard. It was their ability to reach beyond the locality of the King County coal mines that gave the OIC managers the power to break the Knight's localized power and force them back to work. The company pursued this model—using resources from outside of the region to break solidarity inside the community—in a final battle with the Knights two years later.

### **Policing the Boundaries of Space and Race: The Strike of 1891**

Beginning in the fall of 1890, the miners at Franklin and Newcastle repeatedly made demands on the company, with varying rates of success. In October, they received a 15% wage increase.<sup>95</sup> In January 1891, the Knights demanded that the company use only Knights in the Newcastle mine. However, managers fired the leading Knights and replaced them with Miners' Union men, once again benefiting from the existence of the rival mine.<sup>96</sup> During this time, the company went into receivership and long-time Puget Sound investor W.H. Starbuck replaced Elijah Smith as the head of the company. Starbuck intended to streamline the OIC's operations, and first on his agenda was the troublesome independence of the coal miners in King County. As C.J. Smith, the latest in

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<sup>94</sup> Frank B. Crosthwaite [Examiner for the Department of Justice in Washington Territory] to Attorney General A.H. Garland, 20 May 1889, quoted in "Trouble in the Coal Mines, 1889: Documents of an Incident at Newcastle, W.T.," *Pacific Northwest Quarterly*, 37 (July 1946): 231–257.

<sup>95</sup> C.J. Smith to E. Smith, 23 October 1890, Oregon Improvement Company Microfilm, roll 11.

<sup>96</sup> C.J. Smith to W.H. Starbuck, 28 January 1891, Oregon Improvement Company Microfilm, roll 12.

an ever-changing line of general superintendents in Puget Sound explained: “we reached our limit of forbearance on this.”<sup>97</sup>

Armed with new purpose, the company set out to utterly eliminate the role played by the Knights in determining labor issues at the company’s mines. Smith and Starbuck had two options. The first, get the miners to sign a contract that eliminated all the bargaining rights and community independence they had earned in the previous years, forcing them to give up any union membership as well as any implicit or explicit right to strike. The second, “import negroes ... to use in the mine ... putting an element of certainty in the operation of the mines.”<sup>98</sup> Various company managers had proposed the importation of black miners as early as 1889 after the Northern Pacific had used them at their coal mine at Roslyn, Washington Territory.<sup>99</sup> C.J. Smith had advocated it as soon as he assumed his position as general superintendent in Puget Sound, and had lobbied Elijah Smith in Boston as early as October when the Knights won their 15% wage increase.<sup>100</sup> Smith was backed by the new superintendent at Franklin, T.B. Corey, who the company managers had hired from service in the Iowa and Illinois coal mines where he had used black strikebreakers to great effect.<sup>101</sup>

If the company managers could not get the Knights to surrender control of the mining community of King County, the OIC managers would simply rebuild that community with African-American citizens. The cheapest option would have been the contract, but should that fail, they wanted to have black strikebreakers ready as soon as possible.

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<sup>97</sup> C.J. Smith to W.H. Starbuck, 28 January 1891, Oregon Improvement Company Microfilm, roll 12.

<sup>98</sup> C.J. Smith to W.H. Starbuck, 16 January 1891, Oregon Improvement Company Microfilm, roll 12.

<sup>99</sup> Hobart McNeill to E. Smith, 20 February 1889, Oregon Improvement Company Microfilm roll 10. “A good coal mine on section 26 Franklin with black labor and Tacoma Wharves would made every man that holds on to this high labor basis [i.e., the Knights] fall into the tail end of the procession.”

<sup>100</sup> C.J. Smith to E. Smith, 23 October 1890, Oregon Improvement Company Microfilm, roll 11: “It is now our settled purpose to arrange to bring out about three hundred negroes [sic] in January, with their wives and children, which will amount to about 450 people.”

<sup>101</sup> See Alan A. Hynding, “The Coal Miners of Washington Territory,” *Arizona and the West*, 12 (1970): 221–236; Mark Stern, “Black Strikebreakers in the Coal Fields: King County, Washington—1891,” *Journal of Ethnic Studies* 5:3 (1977); and Robert A. Campbell, “Blacks and the Coal Mines of Western Washington, 1888–1896,” *Pacific Northwest Quarterly*, no. 3 (October 1982): 146–155.

Smith and Corey worked along these dual tracks from October 1890 until March 1891.<sup>102</sup> Their first order of business was to shut down the Franklin mine, which they did under the guise that the old shafts were played out, or nearly so, and the company needed to sink new shafts that would provide more work for all the miners of the community. Neither Corey nor Smith intended to tell the miners the truth about their experiment in immigration as they were still somewhat dependent upon public opinion, as well as the work of the old miners to dig the new shafts. As Smith explained to Starbuck, “It was the idea and intention in shutting [Franklin] down to import negroes.”<sup>103</sup> C.J. Smith estimated that importing black miners would cost the company around \$25,000 upfront for passage, lodging, and meals, but fully \$20,000 could be recouped by taking it out of the miners’ wages when they reached Washington.

By April, their plans for black miners were in place, and Smith and Corey decided to press the Knights at Newcastle into signing a year-long contract. The terms of the contract were a complete reversal of any of the victories the miners had won in the previous five years. The contract explicitly denied the miners the right to organize, and gave the corporation the last word on hiring, firing, wages, hours, and debts.<sup>104</sup> The miners dubbed it an “iron-clad” contract, so called because it locked the workers into terms of employment for an entire year and explicitly denied them any voice whatsoever in fashioning those terms. Not surprisingly, they refused to sign and walked out of mine the next day. The same scene was replayed at Gilman, Cedar Mountain, and Black Diamond.<sup>105</sup> The only thing that spared Franklin was the fact that it was still mostly shut down.

The company withdrew the contract and officially terminated Corey, on the grounds that he had been unreasonable. To the Knights, the situation at Newcastle and the King County coal mines in general seemed to have improved. In reality though, Corey

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<sup>102</sup> See C.J. Smith to E. Smith, 17 October 1890, 23 October 1890, Oregon Improvement Company Microfilm, roll 11; and C.J. Smith to W.H. Starbuck 16 January 1891, Oregon Improvement Company Microfilm, roll 12.

<sup>103</sup> C.J. Smith to W.H. Starbuck, 16 January 1891, Oregon Improvement Company Microfilm, roll 12.

<sup>104</sup> See *Seattle Daily Press-Times*, 1 April 1891, 19 May 1891; *Seattle Post-Intelligencer*, 5 April 1891.

<sup>105</sup> *Seattle Daily Press Times*, 1 April 1891.

had not been fired, and instead traveled to Iowa, Illinois, and Missouri, places where he had formerly served as a coal mine superintendent. He returned less than a month later, in early May, 1891, with over 600 black miners, officially all destined for the new shafts at Franklin. However, the managers hoped to use the black miners in all the OIC mines in King County.<sup>106</sup>

Corey, the black miners, and their families came with some 70 armed guards, both Pinkerton detectives from Illinois and Missouri, as well as a force of guards from Thiel's in Portland, once again led by M.C. Sullivan. Once they had all arrived, the company cordoned off a space of the town near the mine entrance, ringed it with barbed wire, and posted guards along the fence line. This "dead line," as both sides referred to it, became the physical and metaphorical boundary between the "old" Franklin built by the OIC and the Knights of Labor, and a new version of the company town.

The response from the miners' assemblies of the Knights of Labor to the importation of black miners was immediate. White miners all over the county struck in response to the OIC's actions. Miners even shut down mines not owned by the OIC at Gilman and Black Diamond. As a reporter for the *Post-Intelligencer* explained, Black Diamond was "not owned by the Oregon Improvement Company, but that road derives its revenue from it because it hauls its coal."<sup>107</sup> In addition, the miners from independent mines correctly assumed that the OIC intended to use the black miners as a means to control labor throughout the region, just as the company managers had worked in concert with the independent mine operators to introduce the iron-clad contract. Both sides soon settled in for a long and bitter strike.

The Knights knew that their ability to hold out against the company was based upon their ability to define the community around them, and then draw upon that community for support. Initially, they had success. Knights from the mines at Newcastle, Franklin, Black Diamond, Gilman, and Cedar Mountain met in Seattle with representatives from the newly formed Western Central Labor Union, a trade union

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<sup>106</sup> See C.J. Smith to W.H. Starbuck, 27 May 1891, Oregon Improvement Company Microfilm, roll 12; Seattle *Daily Press-Times*, 20 May 1891.

<sup>107</sup> Seattle *Post-Intelligencer*, 19 May 1891.

assembly that vied with the Knights for control of the region's labor unions. Although the two organizations had not gotten on well in the past, in this instance they closed ranks and agreed to work together.<sup>108</sup> They petitioned and received support from regional businessmen, as well as other laborers on the sound. Supplies and foodstuffs came into the coal mines from local businessmen while railroad workers from the OIC-owned Columbia & Puget Sound Railroad threatened to strike in sympathy, along with longshoreman, plumbers, and other members of the city's trade unions.<sup>109</sup>

As was the case with the anti-Chinese violence in 1885, the miners based their objections to the new black arrivals not just on their skin color, but on the black miners' status as "imports," or "invaders," which their race served to reinforced. The *Post-Intelligencer* articulated this racial-spatial relationship in an editorial on the coming of the black miners. Entitled "The Invasion at Franklin," the editors objected to the OIC management's plan on the grounds that the mines had been worked "heretofore done by white men, resident here, and who, with their families, form part of the permanent and established population of the country. ... the newcomers are in a sense alien to the State."<sup>110</sup> The black miners were a threat because they were "newcomers." Indeed the fact that the paper labeled them as "alien" is important, but race alone cannot explain the reaction that reverberated on the Sound, from miners, workingmen, and the greater public alike. The portrayals in the *Post-Intelligencer* editorial page parallel those given by the miners themselves who argued that the black miners were "imported from abroad ... to drive workingmen from their homes."<sup>111</sup> The white miners as residents, not simply white men, had a prior claim on the work at the OIC mines.

The miners rhetorically positioned themselves against a rapacious corporation, funded from abroad—meaning the East—that had no interest in the progress of the region or the communities on Puget Sound. The evidence, they argued, was in the way the

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<sup>108</sup> Seattle *Daily Press-Times*, 19 May 1891.

<sup>109</sup> Seattle *Daily Press-Times*, 19 May 1891; 26 May 1891.

<sup>110</sup> Seattle *Post-Intelligencer*, 19 May 1891.

<sup>111</sup> Seattle *Post-Intelligencer*, 18 May 1891.

company treated the miners themselves. As one striking miner from Newcastle told the *Daily Press-Times*:

Are the men who worked long years in a place, built their homes there, humble though they may be, helped to bring forth the hidden wealth from the bowels of the earth, enrich their employers, and added to the wealth of the country, mere portions of a machine, base chattels that they should be cast away without cause or provocation [sic]?<sup>112</sup>

The Northwest was the sight of the miners' "homes, humble though they may be," and the company was trying to take that away from the miners, even though, the miners claimed, it was workingmen that had built the region and had made rich through their toil. The miners had a legitimate claim against the company policies, he argued, because of their honest labor in the region. It should not surprise us, then, that both miners and non-miners in the region objected to the new emigrants.

The miners glorified the labor that "helped to bring forth the hidden wealth..., enrich their employers, and added to the wealth of the country." In opposition to this ideal of honest labor, stood the company who tried to deny the miners' humanity and make them "mere portions of a machine," or worse, "base chattels." Invoking the sublimity of the machine not in triumph but in defeat, the miner rejected the deskilling of their work that in this case was predicated upon bringing in obviously inferior black workers. Thus, the miners were neither "portions of a machine," nor "base chattels," both of which attacked the dignity of labor.

Crucial to the white miners' claim to their Puget Sound community was a gendered notion of home, that went beyond the status of the "residential." In their interviews, letters to the press, and their resolutions, the miners grounded their rights in the region in domestic space. One miner asked the *Daily Press-Times* if it was right that the miners were "deprived of their houses ... to be left with their wives and children to starve and die for all the monopolists care?"<sup>113</sup> The house held the family: an attack on the house was an attack on the family. As the head of the household, the miner was an independent man, responsible for the well being of his wife and children, even in a

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<sup>112</sup> Seattle *Daily Press-Times*, 18 May 1891.

<sup>113</sup> Seattle *Daily Press-Times*, 18 May 1891.



company town where paternalistic power supposedly stemmed from the corporate managers. Implicit in this gendered notion of home was the manliness of the miner. “I defy anyone to point me out a better, soberer, or more industrious set of miners anywhere,” one miner argued, while another maintained that he did not “drink, smoke, chew or gamble and don’t squander money foolishly.”<sup>114</sup>

Outside the home, gender functioned as a relationship between the miners and the bosses. “The only object the company has in making the fight,” one miner argued “is to compel the men to trade at the company’s store, saloon, etc, and be submissive to the dictates of their bosses.”<sup>115</sup> The very essence of a company town was flawed, the miners maintained, because it degraded the manliness inherent in honest labor and made the workingmen “submissive.” The miners argued that the company wanted “to have in their control a lot of colored serfs, without intelligence or manhood enough to resist oppression.”<sup>116</sup> The use of the black strikebreakers, inherently unmanly, even brought the managers’ manhood into question: “Cory’s [sic] record not only here, but in Iowa shows what kind of man he is.”<sup>117</sup>

We cannot simply accept, as one miner put it, that “among workingmen generally the sentiment would be against imported men of whatever race.”<sup>118</sup> Race did indeed matter, but it just one factor in the miners’ objections. It was around the three pillars of space, race, and manliness that the miners built their opposition to the managers attempts at remaking the coal country of King County.

The white miners and the Knights of Labor were not the only players in this drama. Across the barbed-wired “deadline” were the black miners, who came to the Pacific Northwest to take advantage of the work offered at the OIC mines. Officially, the OIC had told the miners that the Franklin mine was unmanned, that it was a new mine, and that there were only 50 white miners working to sink the shafts, but no other white men who were in need of work. An OIC handbill advertising for black miners claimed

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<sup>114</sup> *Seattle Daily Press-Times*, 18 May 1891, *Post-Intelligencer*, 17 May 1891.

<sup>115</sup> *Seattle Post-Intelligencer*, 18 May 1891.

<sup>116</sup> *Seattle Daily Press-Times*, 18 May 1891.

<sup>117</sup> *Seattle Daily Press-Times*, 18 May 1891.

<sup>118</sup> *Seattle Post-Intelligencer*, 19 May 1891.

that “good wages will be paid.... Steady work for 3 years. No strikes or trouble of any kind. The finest country on earth.”<sup>119</sup>

Although the OIC advertised a rosy situation at Franklin, it is likely that the black miners expected some trouble. Corey told the *Daily Press-Times*, that many of the miners “are old miners who worked under me at Braidwood.”<sup>120</sup> In fact, 100 miners came from Braidwood, Illinois, where Corey had worked as a mine superintendent in 1877.<sup>121</sup> Some of the emigrants claimed ignorance of any trouble—indeed by 1 June, over 75 miners had fled against the company’s wishes—it is more likely that these black miners understood the role they were to play at Franklin.<sup>122</sup>

If the black miners knew they were to be strikebreakers, and that their arrival would probably cause tension, why then did they agree to go? A minister who came with them explained their willingness as a response to the segregated nature of wage labor across the country. “The only way we can get employment as workingmen in the North,” the minister maintained, “is to go in a great crowd to a place and take possession of it as we have done here.... We have had to move out of the South ... and come to the North in order to make a living.”<sup>123</sup> When situations such as Corey’s offer to mine for three years straight at Franklin arose, the black miners took them as they would take any other offer, with a an uneasy resignation. They knew the pitfalls, but the options were not much better. Just as the white miners had claimed their rights, the black miners also “claim the right to go to any part of the United States and work at our trade.” Once at Franklin, the black miners also sought a role in the community, and spoke of their rights as originating as “citizens of Franklin.”<sup>124</sup> Indeed, far from being “submissive,” the black miners struck for a wage increase within two months of their arrival.

In order to deal with the tension caused by the Knights’ opposition, the OIC managers physically remade the town of Franklin, cutting off not only the mine, but also

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<sup>119</sup> Seattle *Daily Press-Times*, 19 May 1891.

<sup>120</sup> Seattle *Daily Press-Times*, 19 May 1891.

<sup>121</sup> That year, he had imported more than 300 black miners to break a strike.

<sup>122</sup> Seattle *Post-Intelligencer*, 1 June 1891.

<sup>123</sup> Seattle *Post-Intelligencer*, 19 May 1891.

<sup>124</sup> Seattle *Post-Intelligencer*, 25 May 1891.

much of the public space of the town. The managers wanted to avoid violent conflict, but they also sought to keep the black and white miners from reaching any kind of agreement (however unlikely that scenario might seem). The managers cordoned off part of the town in which the black strikers stayed. “About a block of land surrounding the mouth of the mine,” one reporter wrote, “has been enclosed in a barbed wire fence along which a guard is maintained by Sullivan and his satellites. It is a veritable ‘dead line’ and the strictest guard is maintained.”<sup>125</sup> The company also hired non-local armed guards from under the direction of Sullivan to maintain a private police force. As the *Daily Press-Times* reported, “every piece of property owned or controlled by the company is guarded by armed sentinels.”<sup>126</sup> The company also used its property rights to further break the strikers’ resistance, issuing eviction notices to those miners whom it felt were leading the Knights.<sup>127</sup>

In addition to fencing of the mine and much of its property, Smith and Corey also fenced the county road and gave the order to Sullivan’s guards that “people are not allowed to step more than eight feet off of it.”<sup>128</sup> But the miners reserved their “bitterest complaints” for the way in which the managers fenced off and policed the grounds of the Franklin schoolhouse which left “only a narrow alley by which the building can be reached and preventing the children from passing direct from the door to the playground.” The school was in upper Franklin, on a small (and rare) piece of level ground. The miners claimed that the company had enclosed the school “to prevent crowds from assembling on the playground, which is the largest level space in the upper town.” The school property was indeed owned by the OIC; even though the company had “donated” it for a school for the miners’ children, the deed for the land was still in the corporation’s name. The miners objected, especially, they noted, “as the ground ... was cleared and graded by the miners themselves.”<sup>129</sup>

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<sup>125</sup> Seattle *Daily Press-Times*, 18 May 1891.

<sup>126</sup> Seattle *Daily Press-Times*, 18 May 1891.

<sup>127</sup> Seattle *Daily Press-Times*, 18 May 1891.

<sup>128</sup> Seattle *Post-Intelligencer*, 19 May 1891.

<sup>129</sup> Seattle *Daily Press-Times*, 19 May 1891.

Conditions in King County remained tense as the black miners went to work at Franklin and the white miners remained determined to protest the company's use of imported labor. The Knights were aided by support from outside of the coal mines. The railroad men who threatened to strike from the OIC's Seattle to Newcastle line, the C&PSRR, had indeed done so and by May 21, 1891, newspapers began to report coal shortages in Seattle.<sup>130</sup> Smith responded by ordering a lockout of the company railroad men. OIC managers in charge of the road simply replaced the workers with Sullivan's guards, and the trains began regular service five days later.<sup>131</sup>

Both the company and the Knights began shows of marshal strength in response to the crisis. In addition to Sullivan's guards on the fence line and elsewhere, Smith and Corey distributed arms to all the black miners. "During the day the negroes were formed into companies," the *Daily Press-Times* reported, "and drilled in the manual of arms and marching, and after the drills they cling to their guns like grim death."<sup>132</sup>

The white miners organized "home guards," a loosely organized militia whose membership was dependent upon the ability of the miner to procure a firearm, in response to the arming of the black strikebreakers. A report from the Adjutant General of Washington State's National Guard claimed that "these companies were daily drilled and paraded under arms, and ... were a constant menace to the public peace."<sup>133</sup> The white miners saw it differently, and assured the public that it was simply a response to what they considered the illegal actions taken by the OIC managers when they employed both the armed guards and armed the black miners. "They are learning arms," a Knight told a reporter from the *Press-Times*, "simply for the protection of their homes."<sup>134</sup>

The white miners repeatedly petitioned the governor as well as the King County sheriff, calling for the removal of the armed guards, claiming that they were illegal and that they might spark trouble. It appears as if the OIC was indeed in violation of the

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<sup>130</sup> Seattle *Daily Press-Times*, 21 May 1891.

<sup>131</sup> Seattle *Daily Press-Times*, 26 May 1891.

<sup>132</sup> Seattle *Daily Press-Times*, 18 May 1891.

<sup>133</sup> Washington (State), Office of the Adjutant-General, *The Official History of the Washington National Guard*, vol. IV, (Tacoma: State Printer, 1961) p. 366

<sup>134</sup> Seattle *Daily Press-Times*, 25 June 1891.

newly created Washington State Constitution, whose incorporation law stated that “nothing in this section shall be construed as authorizing individual corporations to organize, maintain or employ an armed body of men.”<sup>135</sup> Yet, the Knights had lost much of their political power since 1889, when Eugene Semple was territorial governor and William Cochrane was the elected sheriff of King County. Neither Governor William Ferry, nor the new King County Sheriff were sympathetic to the Knights or the miners; nor were they willing to take action to disarm the private guards, or take steps to remove them from the mining towns.

The OIC managers broke the stalemate when they tried to reopen the mines at Newcastle with black strikebreakers. At 2:00 am on Sunday, 28 June 1891, the company loaded 100 black miners onto one of its trains in Franklin, and steamed toward Newcastle. The train was fired upon from the woods, presumably from some of the “home guards,” as no white miners or officials from the Knights ever denied it. No one was hurt, and the black miners worked a tentative shift at Newcastle the next day. On Sunday evening, when the train returned, gunfire again erupted, although reports vary as to whether it came first from the woods or from Sullivan’s men on the train. No one on the train was injured, but the shooting spread into town. In the end, two white miners were dead, shot by a company foreman who claimed to have acted in self defense. Representatives of the miners protested that the men had been unarmed: no weapons were found on or near the bodies. Nor did anyone later testify that the men had ever been seen with firearms.<sup>136</sup>

The violence in late June allowed the OIC managers to call for the National Guard. OIC attorney and National Guard Colonel J.C. Haines, who had been so unceremoniously removed in 1889, asked the governor to intervene and Governor Ferry agreed. By Monday morning, the day following the violence, five companies of National Guard troops were stationed at Franklin. They quickly moved to Newcastle, Gilman, and

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<sup>135</sup> Washington State Constitution, Article I, Section 24

<sup>136</sup> See C.J. Smith to W.H. Starbuck, 1 July 1891, and C.J. Smith to C.B. Tedcastle (OIC Treasurer), 1 July 1891, Oregon Improvement Company Microfilm, roll 12. See also Seattle *Post-Intelligencer*, 1 July 1891.

Black Diamond as well.<sup>137</sup> For three weeks, the troops took steps to disarm both Sullivan's men and the "home guards." Haines then ordered the troops at Franklin to occupy sentinel posts along the "dead line," and at Newcastle he ordered the troops to police the entrance of black miners into that mine. The strike slowly fell apart. "Both are [sic] mines working now," Smith told Starbuck, "I consider the trouble about ended for us"<sup>138</sup> By July 9<sup>th</sup>, the company was running both the Franklin and the Newcastle complex at full strength, either with black miners or white workers who had agreed to submit to the company's contract rather than go unemployed.

### **Conclusion: The Paths In and Out of Town**

The repeated conflicts at the OIC's mines were not simply about work and wages. They were the result of a struggle between mine owners and mine workers to determine the nature and shape of the communities built around the mines. Both miners and owners agreed that the mines themselves were what the towns were based upon, but they split over what constituted ownership: was it the landscape on which the minds stood, into which the shafts were sunk? Or was it something else? Indeed, without the capital from the OIC, no tunnels would have been sunk. Yet without the work of the miners, no coal could be harvested. Did the miners, whose labor was required to "bring forth the hidden wealth from the bowels of the earth," also share in that responsibility of creating a town?

Ultimately, the ability to define nature and shape of the OIC's King County coal mines was decided by external forces. For the Knights, reliance on local businessmen turned out not to have been enough. The OIC was tied to larger economies which made it less responsive to the demands of local situations. Not only did the OIC managers bring in private armed guards from outside Puget Sound, they also brought strikebreakers from outside the region, further manipulating the spaces of capital they had helped to create as part of a larger national railroad network. In addition, the OIC managers were also able to successfully bring to bear the power of state officials on the situation, as they did when

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<sup>137</sup> Washington (State), *Adjutant-General, Biennial Report* (Tacoma: State Printer, 1891–92), pp. 22–23, 48–49.

<sup>138</sup> C.J. Smith to W.H. Starbuck, 1 July 1891, Oregon Improvement Company microfilm, roll 12.

the demanded and received National Guard troops. It was the ability of the OIC managers ability to control access to and from the mine and the region, as well as manipulate the mines' connections with the rest of the world, that gave the OIC so much power.

Although the coal mining towns were owned and operated by the OIC and its managers, they were still partly shaped by local circumstances. The Knights' demands for recognition and the right to determine the nature and shape of the towns caused bitter struggles which reconfigured the physical space of the towns and their human populations. The response by the company was not to concede to the miners' demands, of course, but to contain them. by going outside of the community, bringing in black strikebreakers from the Midwest, armed guards from Portland, and National Guard troops stationed in Seattle. It is in that act of containment that we can begin to understand the role of the miners. The demands of the white miners did indeed shape the community—just not in the ways that they had hoped.

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In the end, few of the miners fully resigned the independence that they fought so hard to achieve. Even some of the black strikebreakers continued to contest the domination of the company. On July 13, 1891, 30 black miners walked out and struck at Newcastle. The white miners largely rejected the company's insistence that it had the only voice in the make-up and shape of the coal mining towns. While some of the striking miners went back to work under the rules of the "iron-clad" contract that they had rejected earlier, the majority did not. Many realized that the company simply refused to allow the miners a voice in the creation of their own community. Rather than reside in an OIC town, they left.<sup>139</sup> Others, however, were unwilling to give up on the strike itself, so the OIC managers evicted them from company houses.<sup>140</sup>

In a final moment of conflict with the managers, and perhaps the most telling evidence of what was at stake for the miners in Puget Sound, many miners "took pains to mutilate their houses before turning them over. Window panes have been broken, doors

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<sup>139</sup> *Seattle Post-Intelligencer*, 2 July 1891.

<sup>140</sup> *Seattle Post-Intelligencer*, 2 July 1891.

were unhinged, locks broken and spiked and everything that was not screwed down went with the former occupants.”<sup>141</sup> Some went even further. John McQuade, one of the leaders of the Knights at Newcastle, had decided to leave the coal fields rather than sign the contract. But before he left the OIC house he had lived in, “No. 122” at Newcastle, he filled the stove with blasting powder and destroyed the entire house in a fiery explosion.<sup>142</sup>

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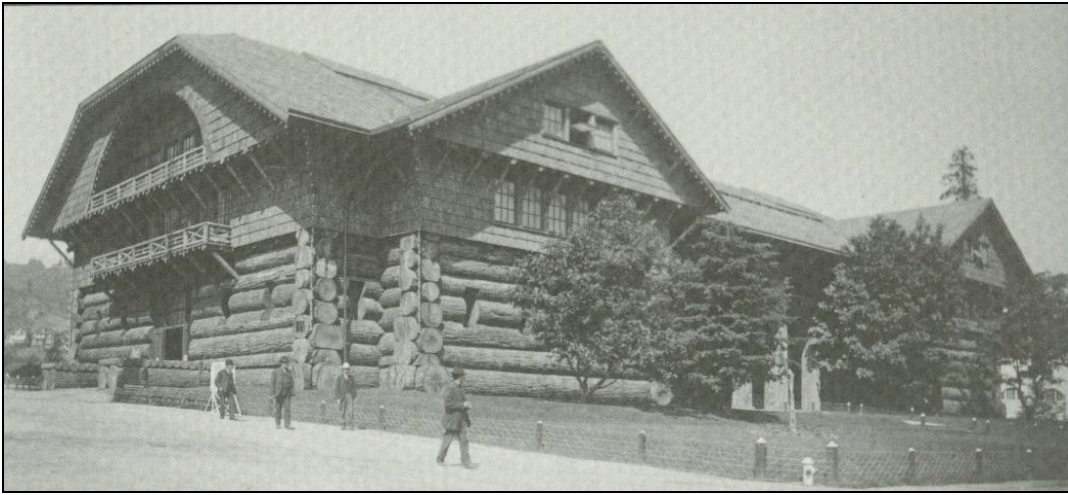
<sup>141</sup> Seattle *Post-Intelligencer*, 1 August 1891.

<sup>142</sup> Seattle *Post-Intelligencer*, 21 July 1891.

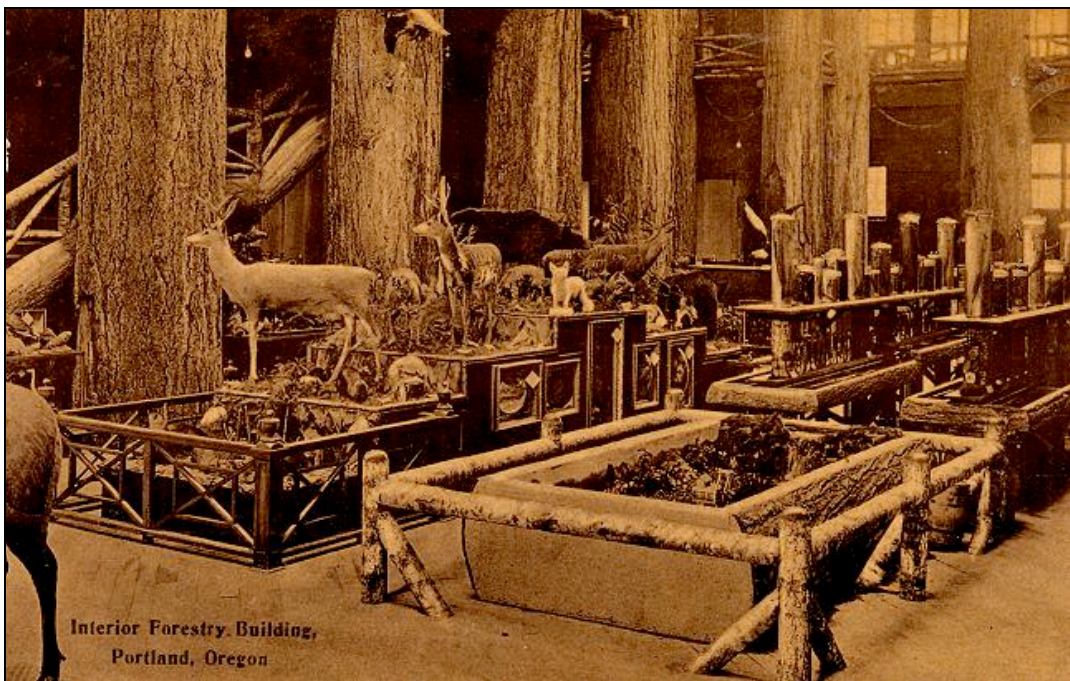


## **Portfolio 2**

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*fig. 16. Forestry Building, Lewis and Clark Centennial Exposition, Oregon Historical Society.*



*fig. 17. Interior of the Forestry Building, Lewis and Clark Centennial Exposition, Oregon Historical Society.*

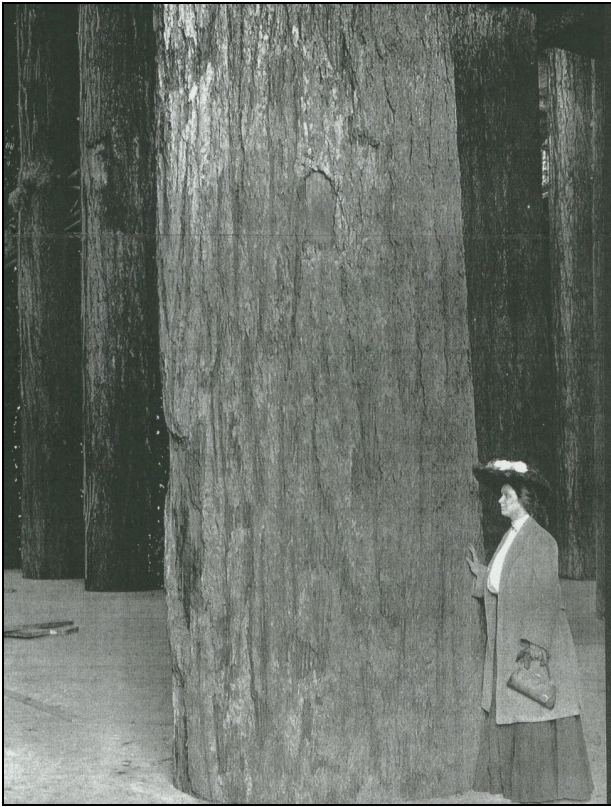


fig. 18. Interior of the Forestry Building, Lewis and Clark Centennial Exposition, *Oregon Historical Society*.



fig. 19. Fire Drill, Edward S. Curtis, from Paula Richardson Fleming and Judith Lynn Luskey, *Grand Endeavors of American Indian Photography*, (Washington: Smithsonian, 1993).



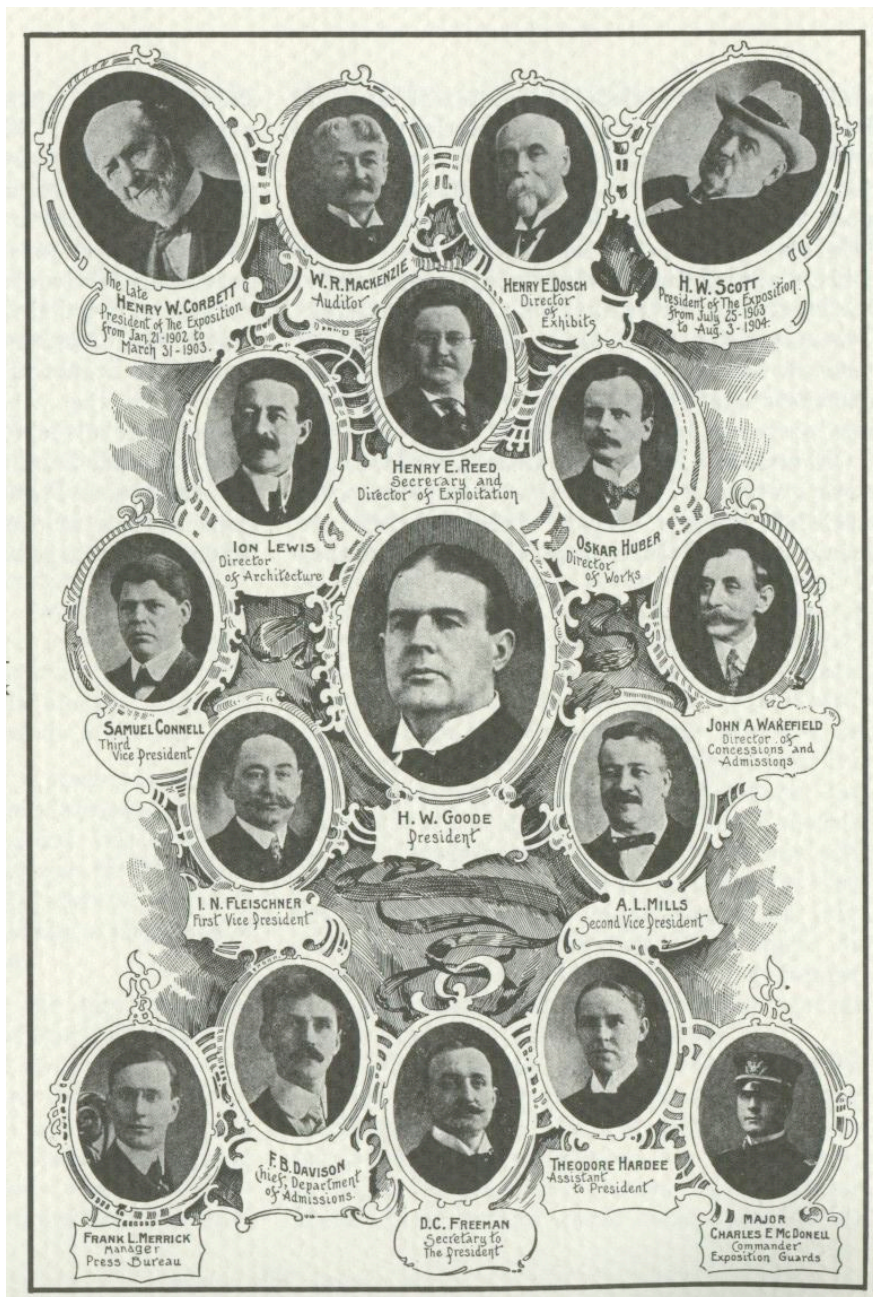


fig. 20. Management of the Lewis and Clark Exposition Corporation, *Oregon Historical Society*.



fig. 21. Riding the Trail, Frederic Remington, *Oregon Historical Society*.

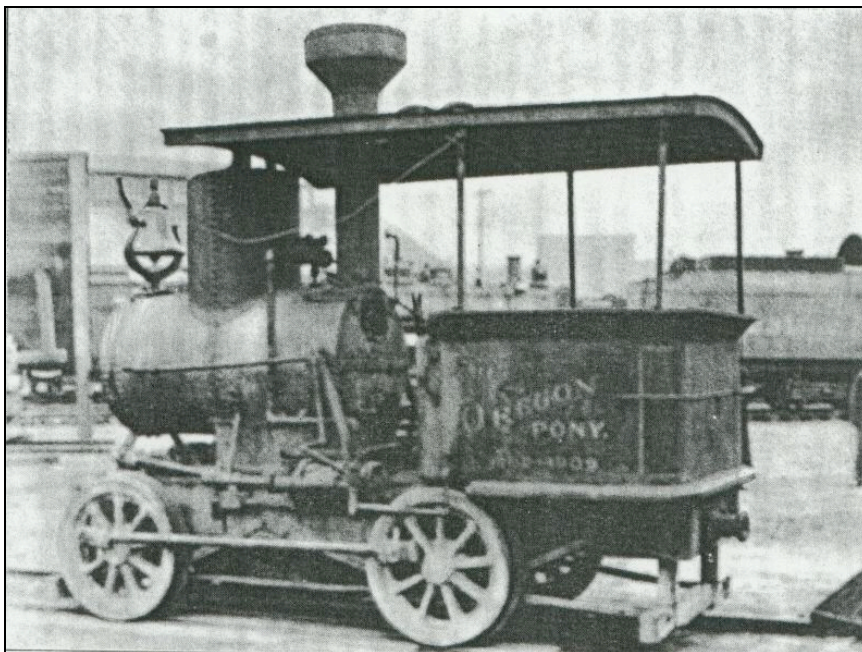


fig. 22. The Oregon Pony, *Oregon Historical Society*.





*fig. 23. Sacajawea, Alice Cooper, Oregon Historical Society.*

## **Epilogue: “To Celebrate the Past and to Exploit the Future”**

### **Containing Conflict at the Lewis and Clark Centennial Exposition**

Visitors to the forestry exhibit at Portland, Oregon’s 1905 Lewis and Clark Centennial Exposition were greeted with an impressive display. Known as the “timber temple,” the forestry building was an enormous raw-log structure with some 20,000 square feet of exhibition space (see fig. 16).<sup>1</sup> When fairgoers entered the building they were confronted with what amounted to a virtual forest inside the structure. All they saw were trees. The inside of the hall was filled with stout trunks of Douglas fir, some six to eight feet in diameter (see fig. 18). According to the official fair guidebook, “more than fifty great tree columns, veterans of a virgin forest support the rafters.”<sup>2</sup> Between the many columns of not-quite-raw tree trunks were exhibits of nature’s bounty, manufactured goods attesting to the diversity and quality of the products hewn from the massive stands of Northwest timber. (see fig. 17) In addition, the exhibitors had recreated nature herself (for most certainly in 1905 nature was woman) in the form of wildlife dioramas. Picturesque animals appeared at play inside the forestry building, either unaware of or undisturbed by the great engines of extraction that had come to the Pacific Slope to reap nature’s bounty, the benefits of the region’s salubrious clime. To round out the scenes of nature, the exhibitors included photographs from one of the Northwest’s favorite sons, the famed Indian photographer Edward Curtis. Photographs of the region’s Native Americans were both natural and historical signposts, indicating the relatively recent triumph of civilization over savagery in this promised land (see fig. 19).

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<sup>1</sup> Henry Reed, Secretary and Director of Exploitation, *Oregon: A Story of Progress and Development Together with an Account of the Lewis & Clark Centennial Exposition* (Portland, Ore.: 1904). See also Carl Abbott, *The Great Extravaganza: Portland and the Lewis and Clark Exposition* (Portland, Ore.: Oregon Historical Society Press, 1996).

<sup>2</sup> Lawson Bradley, *Official Guide to the Lewis and Clark Centennial Exposition* (Portland, Ore.: 1905), p. 20.

The scene inside the timber temple was replayed all over the fairgrounds, at the “palace of agriculture,” the “mines and metallurgy” building, and in the “transportation hall.” The exhibit buildings were three dimensional representations of what historian Leo Marx calls the machine in the garden—a perfect picture of corporations harvesting the ancient dividends of nature’s capital. But for all the elements of regional industry that the fair promoters celebrated, there was a curious absence. The forestry exhibit contained thousands of board-feet of logs, but no loggers. The metallurgy hall exhibited mines but no miners. The agricultural palace was a storehouse of produce, yet it did not showcase one producer. At the Lewis and Clark Centennial Exposition, laborers were hidden, removed from the landscape of the fair; in their place was a vision of Oregon’s past, present, and future that celebrated the toil of the pioneers, but demonstrated the ability of machines and nature to provide in this modern age.

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In many ways, the Lewis and Clark Centennial Exposition was an attempt by the Portland establishment to silence the criticisms emanating from the region’s hinterland.<sup>3</sup> Workers in the Pacific Northwest in the 1870s, 80s, and 90s, had taken part in an intense period of industrial development. With the arrival of the transcontinental railroad the region went from an isolated outpost on the market frontier to an integrated productive unit. But dynamic growth was not without social cost, as the same period saw the radicalization of those in the path of industrialization, the farmers and workers residing in

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<sup>3</sup> On the Lewis and Clark Centennial Fair and Oriental Exposition, see Robert W. Rydell, *All the World’s a Fair: Visions of Empire at American International Expositions, 1876-1916* (Chicago: University of Chicago Press, 1984), pp. 185–192; see also Abbott, *Great Extravaganza*; and *ibid.* “Chapter 2: Portland Boosters and the Great Exposition” in *Portland: Planning, Politics, and Growth in a Twentieth-Century City* (Lincoln: University of Nebraska Press, 1983), pp. 33–48. Rydell identifies two cultural contexts that produced the fair. The fair itself, he says, was part of a larger manifestation of the nation’s imperial impulse following the Spanish-American war in 1898. By the time the fair came into existence, however, Rydell notes a good deal of class tension which developed around its construction. Working class opposition erupted by the workers in the construction trades of Portland who criticized the exposition management for not adhering to the promise of a closed-shop. Rydell explains how the promoters sought to attract the working class to the fair, because, in the words of one promoter, “it will do them good.” Historians have largely overlooked the second half of Rydell’s thesis, the social events and circumstances that influenced the fair and its exhibits. By casting a wider regional net, and examining the cultural battles over western expansion and industrialization, we can see how the fair was indeed a cultural response to the social conflict and class tension of the previous 30 years in the Northwest.



the region's hinterland who sent wheat, ore, and timber to Portland, the region's market center.<sup>4</sup> The Pacific Northwest had been awash in agrarian assaults on state legislatures and labor militancy in mining and logging camps. White male workers from the region's extractive industries used images of the landscape and its history to criticize corporate industrialization of the region. By claiming to be the rightful heirs of the Jeffersonian promise inherent in the Oregon Country, they tried to carve out their own space in this new industrial order. Indian residents also protested the growth of industrial transportation. However, their unique legal status helped blunt their more overt political actions. In the political arena, the results of all these criticisms were mixed at best. But to accurately judge the impact of hinterland protest we need to look beyond the politics of parties, legislatures, and government officials, and turn our gaze to the politics of culture.

It is in the cultural realm, like the Lewis and Clark exposition, that battles over western expansion and corporate expansion had the most lasting impact. At the fair, promoters countered regional critiques by positing a progressive narrative of the region's history which mirrored Frederick Jackson Turner's frontier thesis. Fair literature argued that explorers, trappers, and farmers had contributed to Oregon's history, but technology and industry were marching Oregon into the future. By laying claim to Oregon's past, the elite could justify their present domination, as well as make a case for future stewardship. From this perspective, the exposition emerges as an attempt by the region's business elite to answer—or more appropriately contain—the criticism emanating from the region's hinterland. The exposition was part of a regional cultural dialogue concerning the development of the Pacific Northwestern landscape in which images of the region and its history made up the common vocabulary.<sup>5</sup>

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<sup>4</sup> Carlos Schwantes, *The Pacific Northwest: An Interpretive History, Revised and Enlarged Edition* (Lincoln, Nebraska: University of Nebraska Press, 1996); *ibid.*, "The Concept of the Wagesworkers' Frontier: A Framework for Future Research," *Western Historical Quarterly* 18, no. 1 (1987): 39–55; and *ibid.*, "Protest in a Promised Land: Unemployment, Disinheritance, and the Origin of Labor Militancy in the Pacific Northwest, 1885–1886," *Western Historical Quarterly* 13, no. 4 (1982): 373–390. On Portland's regional dominance, see Carl Abbott, "Regional City and Network City: Portland and Seattle in the Twentieth Century," *Western Historical Quarterly* 23, no. 3 (1992): 293–322.

<sup>5</sup> My attempt here is to show the link between western working class and elite visions of the Pacific Northwest. Doing so not only points to the ways in which working class culture helped influence popular representations of the American West, but it also shows how the circumstances and events in the West

### Containing Criticism in the Metropolis

The promoters of the Lewis and Clark Exposition, members of Portland's business elite, framed their fair in opposition to this bevy of criticism. The sons and sons-in-law of the first generation of corporate and industrial magnates in the Pacific Northwest made up the board of directors of a private corporation in charge of organizing and promoting the fair (see fig. 20). On the directorate sat men like Henry L. Corbett and John Ainsworth. The latter was the son of Captain John C. Ainsworth, the moving force behind the OSN steamship monopoly. Corbett was the son of Helen Ladd, of the powerful Ladd banking family that had provided the OSN the capital to control the Columbia River, and the grandson of Senator Henry W. Corbett who had been an essential member of the Henry Villard's OR&N Oregon directorate.<sup>6</sup> The exposition promoters held stock, both literally and figuratively, in the region's industrial economy and the exposition was financed with capital from Portland's leading businessmen and its largest corporations.<sup>7</sup> As if to leave no doubt about the origins and impetus for the exposition, the board made an *Oregonian* newspaper reporter, Henry Reed, the fair's "Director of Exploitation." Early on, the exposition motto was "to celebrate the past and to exploit the future."<sup>8</sup> Reed and the promoters, seemingly immune to or unaware of the irony, crafted a nuanced vision of the history and landscape of the Pacific Northwest that

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itself helped shape the nation's image of the region. On the influence of the working class on popular culture, see Kathy Peiss, *Cheap Amusements: Working Women and Leisure in Turn-of-the-Century New York* (Philadelphia: Temple University Press, 1986).

<sup>6</sup> Henry Reed, Secretary and Director of Exploitation, *Oregon: A Story of Progress and Development Together with an Account of the Lewis & Clark Centennial Exposition* (Portland, Ore.: 1904), p. 97. For more information on the web of Portland power brokers in the nineteenth century, and their links to the L&C exposition, see E. Kimbark MacColl and Harry Stein, *Merchants, Money, and Power: The Portland Establishment, 1843-1913* (C.P.N.G.: The Georgian Press, 1988), pp. 357-62, 383-89. Corbett's father, and longtime OR&N ally, Senator Henry W. Corbett acted as President of the Exposition corporation until his death in March 1903.

<sup>7</sup> Henry W. Corbett had purchased \$30,000 worth of stock in the Lewis and Clark Exposition Corporation the day the company announced it was seeking subscriptions. With \$20,000 subscriptions from the Ladd and Tilton Bank and the Northern Pacific Railroad, it was not long before the corporation met its original goal of \$300,000. Abbott, *The Great Extravaganza*, p. 14.

<sup>8</sup> Motto quoted in E. Kimbark MacColl and Harry Stein, *Merchants, Money, and Power: The Portland Establishment, 1843-1913* (C.P.N.G.: The Georgian Press, 1988), p. 337.

attempted to metaphorically and rhetorically contain the fiery criticism emanating from Portland's hinterland.

The exposition itself was a historical exercise, and the promoters sought to use history to frame their vision of the region. The fair told the story of Oregon's progress in classic Turnerian fashion. "Look backwards" to the arrival of Lewis and Clark, a fair pamphlet urged its readers, "but a short hundred years... and see the way-worn and travel-stained explorers beaching their canoes at the mouth of the great river" Columbia. "The tale we have to tell," the writer went on "is of the progress from that beginning."<sup>9</sup> Following Lewis and Clark in this grand frontier narrative were the overland trail pioneers, eulogized in exposition literature. "In days of yore, in time grown olden/When this fair land gave chances golden,/There lay embedded in each breast/A bold desire to move out west./And as a place of destiny/Our fathers sought this empire free,/Where rolls the Oregon in might/And nature blessed all things in sight."<sup>10</sup> Locating and naming the different periods of Oregon's history allowed the fair promoters to gain authority over it, which was useful when trying to deal with some of the more troublesome aspects of that history.

If workers tried to channel the region's unique brand of western manliness into the present, the fair promoters struggled to limit it to the region's mythic past. After walking under the colonnaded entrance, visitors were greeted by Frederic Remington's "Riding the Trail," a classic image of western Americana (see fig. 21). In the words of the official guidebook, "four hilarious 'cowpunchers,' possibly a little the worse from an over-indulgence in liquor, are depicted on the backs of their favorite bronchos [sic], dashing furiously through a town and shooting their revolvers in the air." Lest we be concerned that the figures in the statue might come to life and ride roughshod over the genteel fairgoers, the pamphlet assures readers that "this group is typical of the earlier Western life, when Saturday night's diversion was to get drunk and 'shoot up the

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<sup>9</sup> *Lewis and Clark Centennial Exposition Commission for the State of Oregon* (Portland, Ore.: 1905), p. 3

<sup>10</sup> Quoted in Carl Abbott, *The Great Extravaganza: Portland and the Lewis and Clark Exposition* (Portland, Ore.: Oregon Historical Society Press, 1996), p. 42.

town.”<sup>11</sup> In 1905, promoters implied, such anti-social manliness had faded away, safely contained by the boundaries of comedy and history.

The fair promoters chose a different, more feminine vision to mark the passage of the past into the present when they selected Sacagawea as the official standard bearer of the exposition (see fig. 23). At the very center of the exposition, in between the Foreign Exhibits building and the Agriculture and Horticulture Palace, stood the Sacajawea fountain. According to the guidebook “Sacajawea is portrayed as a young mother, her papoose lashed to her back.”<sup>12</sup> The mother Sacagawea echoed mother nature herself. And like the Indian portraits from Edward Curtis in the Forestry Building, set both the history and nature of the region in a mythical past where Indians were the quintessential republicans, nature’s noblemen.<sup>13</sup>

On top of this nostalgic foundation, fair promoters built a rhetoric of industrialism that looked to the future while simultaneously acknowledging Oregon’s “pioneer” past.<sup>14</sup> In the Mines and Metallurgy building, for instance, promoters included an exhibit on the early days of the independent and entrepreneurial placer miner, but ignored the contemporary lives of wage miners. For sheer historical and economic import, however, nothing could outdo the “Oregon Pony,” located in the Transportation building (see fig. 22). The Pony, the first steam locomotive in Oregon, was operated by the OSN along its strategic Cascade rapids portage which effectively barred traffic upriver from Portland. It was the OSN’s monopolistic control of the river that helped spawn the Patrons of Husbandry in the 1870s, yet the fair promoters pointed to the pioneering efforts of the

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<sup>11</sup> Lawson Bradley, *Official Guide to the Lewis and Clark Centennial Exposition* (Portland, Ore.: 1905), p. 12.

<sup>12</sup> Lawson Bradley, *Official Guide to the Lewis and Clark Centennial Exposition* (Portland, Ore.: 1905), p. 12.

<sup>13</sup> For Jefferson’s thoughts on Indians, see James P. Ronda, ed., *Thomas Jefferson and the Changing West: From Conquest to Conservation* (Albuquerque: University of New Mexico Press, 1997), especially “‘The Obtaining Lands’: Thomas Jefferson and the Native Americans,” by Anthony F.C. Wallace.

<sup>14</sup> For the concept of a “rhetoric of industrialism,” I am indebted to the work of William G. Robbins, especially his work on early Oregon boosters. See William G. Robbins, “Nature’s Industries: The Rhetoric of Industrialism in the Oregon Country,” in Richard White and John Findlay, eds., *Power and Place in the North American West* (Seattle: University of Washington Press, 1999); and *ibid.* *Landscapes of Promise: The Oregon Story, 1800-1940* (Seattle: University of Washington Press, 1997)

corporation and its tiny steam engine.<sup>15</sup> Placer mining and the Pony were part of the region's past, and fair promoters obscured any tensions inherent in that history. With the past secure, the fair promoters could claim ownership of the present.

Essential to the rhetoric of industrialism created at the fair was the idea that nature herself would provide. Fair promoters gave nature in the Pacific Northwest a spatial quality, they linked natural resources to specific geographies allowing them to remove labor—or rather laborers—from the picture. “Oregon and Washington’s prominence in the wheat trade has attracted the attention of the commercial world,” one guidebook stated, and “the [New Northwestern] states are capable of yielding as high as 100,000,000 bushels.” Similarly, “Oregon’s forests added \$30,000,000 to the wealth of the state in 1903.”<sup>16</sup> States themselves cultivated grain. Forests created wealth on their own. Fair promoters personified political entities and gave economic credit to organisms rooted in the ground instead of noting the hard work and toil of the farmers and laborers who actually harvested the region’s natural resources. They used the passive voice to remove any agents from the region’s extractive economy. In so doing the promoters sought to ignore not only the protests emanating from the workers in that economy, but the workers themselves.

It was not that labor itself was absent from the fair; rather it was the image of laborers that the promoters sought to erase. Indeed, the exposition praised the manufacture of raw materials into finished goods, and numerous buildings had sections devoted to the most modern means of refining nature’s bounty. But the focus was on the machines, not their operators. The image the exhibits presented was of the machines’ ability to labor, and therefore eliminate the social costs of wage labor. The Forestry building held nearly an entire working saw mill that took visitors through “the manner in which commercial lumber is manufactured. In one corner is a sawmill in operation. This shows the great trees as they are fed to the saws and squared. The cutting of rough lumber

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<sup>15</sup> Lawson Bradley, *Official Guide to the Lewis and Clark Centennial Exposition* (Portland, Ore.: 1905), p. 22.

<sup>16</sup> Lawson Bradley, *Official Guide to the Lewis and Clark Centennial Exposition* (Portland, Ore.: 1905), p. 42.

is next shown, and so on until the complete process is illustrated.”<sup>17</sup> Guidebook writers spared readers and viewers from contemplating the drudgery of working 12 hours a day in the noisy and dusty mill by focusing on the dominant icon: the machine and its sublime ability, in this case, to saw through the region’s giant Douglas fir trees day in and day out.

The Lewis and Clark Exposition was part of a larger debate about the nature of the region’s economic geography and the role of corporations, machines, workers, and producers in that economy. At the heart of the promoters vision of Oregon was a defense of city-hinterland economic structure that had, in contemporary terms, “built” Portland. According to the booster magazine *Pacific Monthly*, Portland was “well-built and metropolitan in appearance...in every respect an Eastern city” that exhibited the “ease of matured civilization.”<sup>18</sup> In his official exposition account, Henry Reed extolled the wonders of the region’s capital. Steeped in boosterism, he wrote that Portland “cuts 400,000,000 feet of lumber a year.... Has bank deposits amounting to \$35,000,000. Manufactures \$49,500,000 worth of goods a year.... Spent \$600,000 for new streets and sewers in 1903.... Is the terminus of the Union Pacific, Southern Pacific, and Northern Pacific railroad systems.” In short, according to Reed, Portland “is the principal city of the Northwest Coast of North America,” and the fair promoters hoped to keep it that way.<sup>19</sup>

Progress, in the shorthand of the fair promoters, indicated that the city had participated in the grand drama of Frederick Jackson Turner’s frontier development and that drama had ended. It had benefited from the frontier as America had: Oregonians were independent, free-thinking, democratic, and most importantly, entrepreneurial individuals. However, the fair promoters wanted to make it clear that the frontier had passed in Oregon, and gone with it were the overly-masculine, lawless, albeit colorful men who had participated in its development. Portland, and hopefully the region it sought

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<sup>17</sup> Lawson Bradley, *Official Guide to the Lewis and Clark Centennial Exposition* (Portland, Ore.: 1905), p. 20.

<sup>18</sup> Ricardo Minton Hall, “Portland: The Rose City,” *Pacific Monthly* 13 (June 1905), p. 365.

<sup>19</sup> Henry Reed, Secretary and Director of Exploitation, *Oregon: A Story of Progress and Development Together with an Account of the Lewis & Clark Centennial Exposition* (Portland, Ore.: 1904), p. 10.

to control, had overcome the frontier's limitations. Industrial capital had erased the need for labor in resource extraction. Instead, nature and technology would provide.

The Lewis and Clark Centennial and American Pacific Exposition and Oriental Fair was indeed, as its name implies, part of the turn-of-the-century imperial impulse that found a voice in American culture. But it was also a product of the regional tensions and conflicts that had erupted in the Pacific Northwest as part of another late-nineteenth century development: industrialization. Like any other American region, the Pacific Northwest was the product of national developments played out on a local stage. But the complex interplay of the local and the national was especially pronounced in the Pacific Northwest. As one of the last "frontiers," the region was at the mercy of many events beyond its control. And yet, local circumstances and beliefs gave residents the tools to challenge those national developments, especially as they were embodied by transportation corporations. Western managers, directors, and owners provided convenient targets for frustrated Northwesterners who bemoaned the power of corporations. Few of the direct challenges launched by the region's residents were successful on their own terms. But nonetheless, regional criticisms had implications beyond their overt political goals. The protests emanating from the northwest hinterland found root, if nowhere else, in the soil of western imagination.

Independence. Masculinity. Pristine Nature. Corrupt Corporations. Effete Easterners. Ruinous Industry. These images are readily comprehensible to us today. They make up the shorthand of much political and cultural dialogue in America. Of course, western residents did not have a monopoly on these symbols, any more than the corporations had a true monopoly on the landscape of the region. That is to say, as cultural terms they were contested, flexible, and ultimately mutable. The real legacy of western protest is the response by men like those in charge of the Lewis and Clark exposition. Their response was meant to answer, or at least contain, the bevy of criticism being leveled from across the region. The Portland elite took the vocabulary of western imagery and reworked it. They placed laborers, farmers, and Indians safely in the past. The

Portland elite achieved a metaphorical ownership over that past while justifying their attempts at ownership of the present.

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This dissertation, which began as an attempt to understand the history of Oregon imagery in the nineteenth-century, slowly evolved into a study of the impact of Oregon imagery on history. Seeking to put western imagery in the context of a cultural dialogue, I turned my attention to the West itself. Investigating how different social groups understood the landscape I found that very often corporate managers, government bureaucrats, native ranchers, rural agriculturalists, and industrial laborers were often speaking the same spatial language, albeit with radically different ends in mind. Using the same geographic information as a common vocabulary, different Northwesterners struggled to define the landscape and their place within it. My intent has been to investigate both the influences and implications of those larger politics of place, in order to understand the very real role that ideas about place, space, and geography played in the history of the landscape and the people who lived, and worked there. This perspective helps bring the study of western imagery back to the West itself, thus saving the region and its people from their present status as a blank canvas, a passive people and geography with no voice in the creation of their own image. It also forces historians to reckon with the minds and actions of everyday individuals, not just the commercially successful or artistically significant. In doing so, I hope I brought to life the more mundane, but no less important, reflections of ordinary people in Oregon.



## Conclusion

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*The age of railroads has sealed the doom of lines of demarcation, and the progress of events is gradually but surely disseminating on this continent that spirit of self-government ... which must eventually, and perhaps very soon, remove frail barriers.*

– W. Milnor Roberts, Northern Pacific Railroad Surveyor<sup>1</sup>

If you visit the Cascades today you will see a landscape submerged by the waters locked up behind Bonneville dam. The river which covers both the rapids and the Cascade canal makes the landscape look calm and placid to a casual observer. Geologists, geographers, and hydrologists, however, will tell you that appearances can be deceiving. The dam only covers up the dangerous shoals beneath the surface of the river. Underneath is a dynamic, shifting landscape ultimately beyond the control of Army Corps of Engineers who control the damn. Silts, carried down the river are slowly piling up at the bottom of the huge concrete and steel structure. Within a few hundred years Bonneville dam could be Bonneville falls.

As the landscape of the river is obscured, so is its history. To historians, underneath the calm surface lies contestation. The turbulent waters of the rapids in the second half of the nineteenth-century parallel the turbulent history of the region. And just as the landscape of the Cascades will forever be unfinished, so too will the process of making a human place in the Pacific Northwest continue.

The history sketched out in this dissertation is one of the struggle to transform abstract space – the idea of the Pacific Northwest under American rule – into place – the lived places of Oregon, Washington, and Idaho. In the late nineteenth century, American farmers, laborers, entrepreneurs, and government officials – new residents of the northwest corner of the United States – as well as the region's Native inhabitants

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<sup>1</sup> W. Milnor Roberts, *Special Report of a reconnaissance of the route for the Northern Pacific Railroad between Lake Superior and Puget Sound, via the Columbia River, made in 1869 by W. Milnor Roberts, U.S. Civil Engineer, under the direction of Messrs. Jay Cooke & Co. Bankers* (Philadelphia: McLaughlin, 1869).

struggled to define a new conceptual space: the Pacific Northwest. In their battles over the meaning of the American Pacific Northwest, the region's residents created a new place. In the Northwest, as everywhere, the process of turning abstract space into place is a process filled with contestation.

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The transformation of abstract space to lived place in the American West encompassed a multitude of historical developments. It provides historians a framework for understanding and discussing American imperialism in the West as well as the growth of corporate capitalism. The ability to comprehend the landscape of the West was crucial to the success of both. As Richard White argues in *It's Your Misfortune and None of My Own*, the American West was the kindergarten of the state.<sup>2</sup> The West was where the federal government learned how to act like a modern state, and, as the geographer Matthew Hannah has argued, an essential aspect of that process was being able to "see" the landscape, to have an administrative apparatus capable of keeping track of the new western lands.<sup>3</sup> Similarly, as I have argued in this dissertation, the American West was also where American corporations learned how to behave as modern corporations, complete with a geographically robust management hierarchy, one capable of administering the daily operation of a company as well as formulating long term strategy. The process of turning the abstract space of the West into a concrete place lay at the heart of both these larger histories about the growth of American government and American corporations.

Historians have argued that the West was a peripheral space, a region ultimately at the whim of elites located in the eastern United States or Europe. Yet, we can see that in order for those men to extend their power over the region, they needed a better understanding of the region. Men like the OR&N's Henry Villard or the Secretary of the Interior Carl Schurz had only a vague, abstract, conceptual knowledge of the West and

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<sup>2</sup> See Richard White, *"It's Your Misfortune and None of My Own": A History of the American West*. (Norman: University of Oklahoma Press, 1991).

<sup>3</sup> See James C. Scott, *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed* (New Haven: Yale University Press, 1998); and Matthew G. Hannah, *Governmentality and the Mastery of Territory in Nineteenth-Century America* (New York: Cambridge University Press, 2000).

were ultimately dependent upon the cooperation of westerners themselves. Government officials in the West such as military surveyors, and land office officials, as well as corporate managers took the conceptual space of eastern political and corporate elites, such as Villard and Schurz, and translated it into an American place. Through their operations in the West itself, western residential managers and government officials gained an experiential understanding of the Pacific Northwest as a place, an understanding of the region distinct from the oftentimes more fluid understanding of their superiors who resided outside of the region.

To state that corporate managers and government officials had to be in the West in order to create an experiential understanding of the region is to state the obvious. Yet, it deserves mention for its important implications, especially within the corporation. Geographic location, having a “man on the spot,” was critical to a company’s success, a fact which increased both the power and importance of western management. Managers such as Henry Thielsen and T.F. Oakes used this fact to their advantage, manipulating the idea of their location to gain authority within the corporate hierarchy. Because they were working in the West, because they oversaw OR&N – later Northern Pacific – operations in the region, Thielsen, Oakes, and others argued, they understood the region, its limitations, and its circumstances much better than owners and directors in New York and Boston. Some of this was the product of a power struggle between managers and owners, but some of it was the result of the necessity of operating over enormous distances. Although technology had gone a long way in “annihilating space and time” in the nineteenth century, corporations such as the OR&N could not rely on the mails and the telegraph to coordinate the complex functions and strategy of the railroad and its geographically disperse corporate hierarchy.

The practical effect of this was enormous. As Alfred Chandler has shown, in the late nineteenth century, managers gained more power within a corporation and began to alienate owners from the decision making process within any given corporation. Location, along with professionalization of various positions, was an important part of

this process. The resident managers of the OR&N, NPRR, and others were more than the eyes and ears of the corporation, they were also the brain.

To administer both government and commerce in the West, western elites – collaborators such as R.H Fay at the Umatilla Reservation, long-time residents like Simeon Reed, and newly arrived corporate managers such as T.F. Oakes, relied on the science of mapping. The images of the West they created provided the basis for the growth and exercise of both corporate and state power. Although some historians have investigated the ideological underpinnings of such Western imagery, and others have mined it for knowledge of the historical and cultural context in which images of the West were produced, a crucial aspect of the story of the cultural constructions has been ignored. Maps and other images of the West have had, and continue to have, very real social and material implications. They are not just representative of our history, they help to constitute that history – cultural constructions of the West play a role in Western history. The “real” and “imagined” West are intimately linked.

Maps did something more than just describe the landscape with cartographic specificity. What did maps do? For those in power in the nineteenth-century – in this story the government officials administering Western lands and peoples and the corporate directors and managers of the Oregon Steam Navigation Company, the Oregon Railway & Navigation Company, and the other industrial corporations discussed above – maps of the region were tools. Nineteenth-century elites used maps as a tool to help translate the abstract space of the Pacific Northwest into a place of commerce, of state power, or private property. That process also had material implications in which maps played a crucial part. Translating the abstract space of the Pacific Northwest also transformed the landscape of the region. The maps the OR&N surveyors drew, for instance, represented a railroad line that was yet to be built. It was an intention, a hope. But, because of the unique legal framework of imperialism in the nineteenth-century, because of the important role played by corporations in imperialism, maps helped make manifest the imagined landscapes they represented.

But maps were something more as well, they were tools used to claim space in the Pacific Northwest. For transportation corporations they were essential weapons in the battle to gain a monopoly of the region's trade. Managers at the OR&N and the NPRR employed paper landscapes – maps, surveys, articles of incorporation, congressional charters, and corporate contracts – in a constant contest for supremacy, the high ground of the region's economic landscape. Corporate officials used maps and other documents to claim the region from their competitors, in the hopes that doing so would freeze out competition, leaving the rich Pacific Northwest the prize of a single corporate entity. Just as British, French, Spanish, Russian, and American diplomats used maps and treaties in the first half of the century in the “great game” of North American imperialism, so too did corporate officials try to carve out, occupy, and control the region among themselves.

The process of making the Pacific Northwest into a place led to constant contestation between different corporations, and it should not surprise us that contests between individual corporations and the region's other residents – Indians, farmers, and laborers, to name a few – also erupted. The railroads and other corporations claimed space not only from the government and from other corporations, but also from other residents of the region. Corporate monopolies in the Pacific Northwest were more than a monopoly over geography. The OR&N and the NPRR intended to monopolize movement. In addition, corporations tried not simply to claim the right to exclusively control trade with respect to other corporate competitors, but also with respect to private citizens. The OR&N, and the constellation of corporate entities within its orbit wanted to control the region's geography by controlling movement within the region – movement of goods like grain, coal, and lumber as well as movement of people like settlers and laborers.

If the Railroad claimed space with maps and other paper landscapes, so too did the rest of the region's residents try to carve out their own space in the region with their own understanding of it. Although maps play a prominent role in the first half of the dissertation but are almost completely absent from the second half. Cartography was an instrument used by the state and capital to transform the landscape of the Pacific

Northwest, but maps were also an instrument of power. The power to make and wield maps was not a power all Northwesterners had. Cartography was the dominant vocabulary of the state and capital, but it was a language completely alien to the farmers, laborers, and Indians who worked in the landscape to produce the commodities that would be born along the railroad.

Residents of the Pacific Northwest without the social power conferred upon corporate managers by the laws encouraging corporate development, were forced to devise their own ways to comprehend the landscape.<sup>4</sup> In a landscape increasingly dominated by industrial capital more interested in the health of foreign markets than the welfare of local residents, northwesterners developed their own idea of the Pacific Northwest that directly criticized the changes they saw occurring around them and the corporations residents felt were the cause of those changes. Northwesterners carved out their own place within this new corporate landscape.

As scholars of regionalism have shown, the understanding of our landscape directly influences the understanding of ourselves. Although the everyday northwesterners discussed in this dissertation met with varying degrees of success in their attempts to make their own place in the region, ultimately, their voices were heard if not answered. At best, their acts of resistance resulted in real social change, at worst corporations simply met cultural criticism with triumphant stories of progress, as in the case of the Lewis and Clark exposition. In both cases, however, we can see how even the understanding of a place by ordinary individuals played a role in the history of that place.

This is ultimately the most important implication: places are shaped by our understanding of them, and every resident of a place plays a role in that process. A landscape in turn shapes the people who live there as well as the power relations within that place. Contentious, dynamic, and uncertain, the creation of a place is at the very heart of history.

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<sup>4</sup> See James C. Scott, *Weapons of the Weak: Everyday Forms of Peasant Resistance* (New Haven: Yale University Press, 1985).

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